# Daily Report

# Latin America

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# Daily Report
## Latin America

*FBIS-LAT-94-085* *3 May 1994*

CONTENTS

**NOTICE TO READERS:** An Ω indicates a Foreign Media Note.

**CARIBBEAN**

**Cuba**

ANPP Special Session Continues in Havana ..... 1
Castro Addresses Afternoon Session *[Havana TV]* ..... 1
Ross Addresses Session *[Havana TV]* ..... 4
Second Day of Session Under Way *[Havana Radio]* ..... 5
ANPP Focuses on Streamlining Finances *[Havana Radio]* ..... 5
'Drastic' Economic Program Adopted *[Hamburg DPA]* ..... 5
Alarcon Lists Points of Accord *[Havana Radio]* ..... 6
Castro Announces Upcoming Decree *[Havana TV]* ..... 7
Currency's Value Plummets on Black Market *[Hamburg DPA]* ..... 7
People Beseiging 'Diplomatic' Stores *[NOTIMEX]* ..... 7
Economic Efficiency Assemblies To Begin 15 May *[Havana Radio]* ..... 8
Editorial: 1993-1994 Sugar Harvest 'Vital' *[Madrid EFE]* ..... 8
Castro Meeting With Aid Official Noted *[Havana Radio]* ..... 9
Colombian Foreign Minister To Visit 3 May *[Havana Radio]* ..... 9
Seminar Attendees Study Industrial Property *[Havana Radio]* ..... 9
Electricity Deficit To Cause Pattern of Outages *[Havana Radio]* ..... 10
Social Research on UBPC Labor Force Reported *[BOHEMIA 18 Mar]* ..... 10
Report Notes Labor Day Parade in Pinar del Rio *[Havana Radio]* ..... 12
Roundup of Economic Developments *[NOTIMEX, etc.]* ..... 12

**Dominican Republic**

Election Campaign Violence Claims 2 Victims *[Hamburg DPA]* ..... 13

**Haiti**

Demonstrators Turn Back UN/OAS Observers *[Port-au-Prince Radio]* ..... 14
MOJEP Petitions 4 Friendly Countries on Sanctions *[Port-au-Prince Radio]* ..... 14
Dominican President Opposes New Sanctions *[Port-au-Prince Radio]* ..... 14
Humanitarian Group Denounces Embargo Effects *[Port-au-Prince Radio]* ..... 14
Sansaricq Seeks Popular Support for New Government *[Port-au-Prince Radio]* ..... 14
Cite-Soleil Victims Protest Meager Relief Rations *[Port-au-Prince Radio]* ..... 15

**MEXICO**

Parties Agree To Hold Presidential Debate 12 May *[Mexico City Radio]* ..... 16
Secretariat To Locate 'Clandestine' Radios *[LA JORNADA 29 Apr]* ..... 16
Chiapas Governor Proposes Reconciliation Commission *[LA JORNADA 27 Apr]* ..... 18
Salinas Government Said Exhibiting 'Weakness' *[AFP]* ..... 19
Deputies Comment on Riot Gear Purchase *[LA JORNADA 29 Apr]* ..... 20

**CENTRAL AMERICA**

**El Salvador**

Cristiani on Approval of Constitutional Reforms *[San Salvador Radio]* ..... 22
Calderon Vows To Investigate Corruption Charges *[San Salvador TV]* ..... 22
ARENA Deputies Pledge To Eliminate Secret Funds *[San Salvador Radio]* ..... 23

### Guatemala

Church Official Views Civilian Society Assembly *[CRONICA 22-28 Apr]* ..... 23
Death Penalty Approved in Child Abduction Cases *[PRENSA LIBRE 27 Apr]* ..... 25
Country To Be Used for Repatriation of Taiwanese *[ACAN]* ..... 25

### Nicaragua

Lacayo To Promote Economic Stability Agreement *[Managua TV]* ..... 26

### Panama

Man Arrested for Pulling Gun Near Perez Balladares *[Panama City TV]* ..... 26
Man Identified as Maritime Service Policeman *[ACAN]* ..... 26
Endara Transfers Public Force to Electoral Tribunal *[Panama City Radio]* ..... 27
Views 2 May Electoral Tribunal Procedures *[Panama City Radio]* ..... 27
Presidential Candidates' Statements at Debate ..... 28
PRD's Perez Balladares Appeals to Voters *[Panama City TV]* ..... 28
Papa Egoro's Blades Appeals to Voters *[Panama City TV]* ..... 29
Change 94's Carles Appeals To Voters *[Panama City TV]* ..... 30
Perez Balladares Holds 4-Point Lead Over Blades *[Panama City TV]* ..... 31
Former Noriega Associates Receive Jail Terms *[Panama City TV]* ..... 31
Minister Notes 'Good' Relations With EU *[Panama City TV]* ..... 32

## SOUTH AMERICA

### Argentina

Alfonsin Elected UCR Bloc Leader *[NOTICIAS ARGENTINAS]* ..... 33
Indigenous Peoples Council Warns of Poverty *[Madrid EFE]* ..... 33
Nuclear Agency Director Promotes Services *[Madrid EFE]* ..... 33
Communist Organization Booby Trap Injures Two *[NOTICIAS ARGENTINAS]* ..... 34
Leftist Parties Discuss Economic Policy *[LA PRENSA 10 Apr]* ..... 34

### Bolivia

President: DEA Must Abide by National Laws *[LA RAZON 23 Apr]* ..... 38
Increased Drug Addiction Among Youth Reported *[PRESENCIA 20 Apr]* ..... 38
Need To Investigate Money Laundering Noted *[LA RAZON 20 Apr]* ..... 38
Indian Leaders React to Popular Participation *[HOY 29 Mar]* ..... 39

### Brazil

Secretary Flores: Executive Branch 'Handcuffed' *[O GLOBO 29 Apr]* ..... 40
Commentator Examines Power of Congress Blocs *[O ESTADO DE SAO PAULO 1 May]* ..... 41
Workers Party Formalizes Lula's Candidacy *[Brasilia Radio]* ..... 42
Poll: More Support for Sarney Than Cardoso *[O GLOBO 30 Apr]* ..... 42
Ricupero Views Economic Prospects *[O ESTADO DE SAO PAULO 2 May]* ..... 43
Franco Modifies Measure on Real Value Unit *[O GLOBO 29 Apr]* ..... 44
Collateral of $2.4 Billion Put Up in Talks *[O ESTADO DE SAO PAULO 29 Apr]* ..... 44
Lampreia To Chair WTO Group on Trade, Environment *[O GLOBO 30 Apr]* ..... 45
Launching of Data Monitoring Satellite Announced *[O ESTADO DE SAO PAULO 30 Apr]* .. 45
'Controversial Operation' in Atomic Market Viewed *[ISTOE 27 Apr]* ..... 45

### Chile

Carabineros' Stange Requests Extension of Leave *[LA TERCERA DE LA HORA 24 Apr]* ..... 46
Drug Enforcement Accord With Jamaica Promulgated *[EL MERCURIO 26 Apr]* ..... 46

## Colombia

U.S. Protest on De Grieff Remarks Rejected *[Santa Fe de Bogota Radio]* ..... 47
Official Explains 'State of Internal Disturbance' *[Santa Fe de Bogota Radio]* ..... 47
Minister Backs UK Investment Protection Treaty *[EL TIEMPO 26 Apr]* ..... 47

## Ecuador

President Announces Restructure of Foreign Debt *[Quito Radio, TV]* ..... 48
Opposition Said To Increase Majority in Congress *[Madrid EFE]* ..... 49

## Paraguay

Tanks, Armored Vehicles Move Closer to Asuncion *[Asuncion TV]* ..... 49
Tank Movement Said Precautionary *[Asuncion TV]* ..... 49
Peasant Leader Killed, Journalists Injured *[Asuncion TV]* ..... 50
Interior Minister: Most Companies 'Working Normally' *[Asuncion TV]* ..... 50
President Departs for Brazil, Views Strike *[Asuncion TV]* ..... 50

## Peru

Foreign Minister Departs on European Tour *[Madrid EFE]* ..... 51
Congressional Committee Approves 'Habeas Data' Bill *[EXPRESO 15 Apr]* ..... 51
Five Peasants Reportedly Murdered by Soldiers *[Madrid EFE]* ..... 52
Army Rescues Ashaninka People From Shining Path *[Madrid EFE]* ..... 52
Pastor Charged With Terrorism, Released *[Madrid EFE]* ..... 53
Apurimac-Ene Basin Seen as Route for Precursors *[EXPRESO 19 Apr]* ..... 53

## Uruguay

GATT Uruguay Round, Expected Benefits Viewed *[BUSQUEDA 21 Apr]* ..... 53
National Party Faction Elects Candidate *[EL OBSERVADOR ECONOMICO 21 Apr]* ..... 54
Bishops Warn of 'Dangerous Divisions in Leadership' *[Madrid EFE]* ..... 55

## Venezuela

Foreign Minister Discusses General Issues *[Caracas TV]* ..... 56
Arias Comments on Radical Cause, Chavez *[EL NACIONAL 8 Apr]* ..... 60
New President of Banco Central Takes Office *[Madrid EFE]* ..... 60
Homemade Bomb Explodes on Board Caracas Train *[AFP]* ..... 61
Explosion Blamed on Students *[Caracas Radio]* ..... 61

## Cuba

### ANPP Special Session Continues in Havana

#### Castro Addresses Afternoon Session

*FL0205113294 Havana Tele Rebelde Network in Spanish 0131 GMT 2 May 94*

[Address by President Fidel Castro to the special session of the National Assembly of the People's Government, ANPP, at the Convention Center in Havana, on 1 May—recorded]

[Text] Alarcon, if I may make some comments.

I see this progressing well because everyone is speaking and expressing their ideas and points of view. We do have time, because there is no time limit on this session.

It is good, and I believe that this is somewhat the way it is taking place: We are discussing the essence of the issues. Although I have a different opinion on what Osvaldo [Martinez] says about money hoarders and others. I spoke because those who drafted the resolution bill do not at all link money hoarders and the change of currency. There are many other reasons for the currency change, justifying it or not. The change of currency is among the arsenal of measures we can take.

I believe that we have to withhold for ourselves the right to the highest possible number of alternatives in order to find a solution to this problem. I truly believe that it is not worthwhile to do anything halfway. If the measures are inadequate, it would be a disaster. As Osvaldo himself said, the problem can replicate itself and that would be worse. This is a cancer whose origin we know and which we cannot overlook; it is the special period we are confronting. This is why it is called a special period. The factors that gave rise to this period are still present. It has been an extraordinary deed, resisting as we have resisted; but it brings consequences.

A humane policy, a policy of solidarity with the people, a policy of not leaving anyone abandoned had logically to result in a currency excess. That was endurable for a while. However, within the special period, the time has come when the problem of excess currency has to be solved in the special period. This is not so easy, although several judicious comrades have said, yes, we have to increase production and services. That is a truism. However, we need raw materials, hard currency to buy those raw materials, spare parts, oil, and other things.

I want to stress that everything described so far is not solvable with a ton of fuel. We are not talking about fuel. We are talking about the currency excess, a problem we have to solve within the special period and in order to try to overcome the special period. This is why we should not do anything halfway. If we are going to do things halfway, it is better to do nothing. We have to solve the problem. Solving the problem requires calculating well what we can and ought to do so that the problem does not recur. It would be a great waste of time. This is why we must have available the entire arsenal of measures needed to fulfill the principle of not letting the problem reproduce. In other words, this cancer created under the special period conditions cannot be allowed to replicate. Its roots must be removed. We have to seek not only a balance but also to know how long it will take to reach that balance and how we are going to shrink it. How to shrink the imbalance. How to do so in a definitive manner.

This is not easy. I believe one of the most difficult things we can contemplate is finding a solution to the problem of domestic finances under the special period conditions. We have to be truly creative. Gladys [Bejerano] said that the people understand. That is true. Their awareness is broader every day. Every meeting held has contributed to this. From the beginning, it was said that we did not want to solve this overnight from a governmental level, as is done everywhere else in the world, without debating anything with anybody. We brought the problem to the National Assembly. This was not enough. We brought it before the people, the masses. It has been discussed by the masses. We are discussing it here, once again. We have made the discussion extremely broad.

These are issues not easily discussed in public. I still have the hope that we are in a position to make the best decisions in the end without letting the most brilliant of the money hoarders—that new character who has emerged, an old character who now has gained new life—without letting the cleverest among the clever, or the best hustler among hustlers, come up with some way to escape with impunity despite the fact that we have done what nobody else has: We have publicly discussed the problem.

I have seen such comments on the television, which have made me ask myself: If I were a money hoarder, what would I do? Some have said....[pauses] The theoreticians have spoken. We have bunches of theoreticians. First, we have the true theoreticians; second, the theoreticians who believe themselves theoreticians, the nontheoreticians who believe themselves theoreticians; and third, all the rest who believe themselves theoreticians and experts. They have been inventing things, and are trying to divine our thoughts.

We have to discuss with the greatest democracy in the world and, at the same time, keep a certain discretion and the most private secrets of our minds.

I was saying that Gladys mentioned the awareness that has developed, thanks to the scope and level of the discussions. This problem has been discussed by millions of people. Problems which, anywhere else in the world, only a few experts and specialists discuss: That is it.

Certainly, we have made progress; but we are still far from having a full understanding of the problem. Certain well-prepared comrades here have demonstrated this because not even they have a full understanding of the problem. Many people do not understand yet. This is

logical because the problem is very technical and complex. Even here, we hear phrases that make us want to laugh. Everyone agrees on the need to find solutions; but no one wants a tax on his wages, not a cent cut. Everyone agrees with streamlining finances; yet the flow of money in the form of salaries is enormous. No one wants that cut. Students do not want their stipends cut. They are willing to give up their lives 15 times for the Revolution, socialism, and the streamlining of finances—but they do not want to hear about their stipends being cut.

Their stipends are used even to buy goods in the black market—they acknowledged this with much honesty—or to go see their girl friends, or do something more vital such as visiting a sick relative. I am not saying that seeing their girl friends is not vital. I am saying that visiting a sick relative is, generally, more vital. They just do not want their stipends cut.

I have heard others say, right here, that we have to find formulas to be able to deregulate cigarettes so that there are enough for everyone at a reasonable price. These are truly unique hopes. We could spare ourselves the entire meeting and say: We are done; the solution is clear; we have to find abundant things at reasonable prices.

Many want an increase in cigarette prices. The earlier comment by a comrade about the pain of seeing people living off the sale of their cigarette quota is true. Yet, there are many others who do not want cigarette prices increased. We spoke about beer. There was not even a sound, because there is no beer. However, when we spoke about rum there were rumblings. Everyone would like to streamline the finances but keep the goodies.

Two comrades spoke about reasonable tobacco prices. I could ask: What is a reasonable price so that, in addition, there is enough for everyone and it is sold freely? Does anyone know this? We will have simply to calculate the packs, this and that, current production, future production, this year's harvest, and so on.

We cannot say that we are truly ready. That is the truth. No one doubts that everyone wants solutions; but, at the same time, when one studies each case, they want the solutions without having to take that kind of measure. This is why we have to be very aware that the measures are hard and they have to be taken in order to solve the problem and not stop halfway. Otherwise, everything we are doing is not worth the effort.

The measures we have to take under these special period conditions are difficult measures. It is necessary to have the most widespread understanding. This is what we have been trying to do. We cannot doubt here for a moment the spirit and intent of the comrades participating in this assembly. I see a purity and dignity, a complete commitment, and a desire to find solutions. I do not harbor doubts on the behavior of the assembly, the workers' movement, or the mass organizations' support for these measures, measures we must take. We have no other choice because they are part of the special period. The special period, upholding a humane point of view, had inevitably to result in the currency excess.

This was studied long before the special period, when the possibilities of a total blockade against Cuba were studied. This resulted in the special period in time of war. Later came the special period in time of peace. It was the same thing. We underwent a double blockade. The one from the Yankees intensified, and trade with the socialist bloc and the former USSR disappeared. That is the reality. What was left of that market was so little that we can speak of it's disappearing. Thus, the situation became even worse than what was conceived as a special period in time of war.

All these measures had been discussed. It was even discussed—it was not urgent then—what to do with money during the special period. Was money to continue to exist in the special period, or was it simply going to be eliminated and goods distributed among the population, whatever was available?

We never got around to deciding what to do with money. However, since this has been a special period, not a regular special period or the one we had studied, we were surprised by a special period with unique characteristics: The collapse of the socialist bloc, collapse of the USSR, complete loss of trade, loss of oil supplies, food, raw materials, and all that. The special period came without our having reached a decision on what to do with money. We could have eliminated money during the special period and we would not be here discussing this. There would be no money hoarders. There would be barter, exchange of a pack of cigarettes for bread or rice or the like. This would exist but there would be no money. The idea of money not playing any role during the special period was contemplated.

However, the special period came gradually, somewhat abruptly but not overnight as in the case of a naval blockade. We have tried, under these conditions, to maintain the normal situation of the nation. Money continued to circulate and it accumulated. Now, we have the situation of a special period with money, and we are discussing what to do with the money. So far, no one has suggested eliminating money. On the contrary, suggestions have been made to continue the struggle with money. The discussions center on what to do with money and how to handle the money available. As you can see, we are working to solve the problem with the money in existence.

I forgot to mention that while we were talking about the 11, 12, 13, I do not know how many billion pesos, a comrade proposed here that the problem be solved by giving incentives to farmers and cooperatives. If we were to give the farmers better prices than the ones they have now—those that state collection pays them, not that they get in the black market—every farmer would end up being a Rockefeller. They have prices in addition to wages.

That same comrade also spoke about salaries. On one hand, we are discussing what to do with the excess billions; and on the other, we are talking about more price incentives. Certain theories from the experts, and I include among these Jose Luis [Rodriguez], whom we greatly appreciate and are very pleased with his address; Osvaldo [Martinez] also....[pauses] I am not an expert or anything thing like it, but I have tried to use common sense all my life. I ask myself: What taxes will we have to pay so that the people openhandedly, generously, and massively invest their money in bonds? Or put it all in the banks by virtue of the immense interest we are going to pay? I do not know if it will be 100, or 200, or 300 percent. Yet they want to prevent the cancer from reproducing. If they implement a theory of interest rate increases, perhaps in three or four years the excess currency will be 20 or 30 billion instead of 11 or 12.

I listen carefully to the experts but I also distrust them because at times they can lead us astray. They can lead us to implement technocratic policies. This is why, in the end, we have do to it with the utmost cooperation of experts, politicians, and those assuming the responsibility. Here, we must be courageous. Courageous above all, not only intelligent but also courageous. If we are afraid, we are lost. If we do things halfway, we are lost. History has laid on us the responsibility to solve these problems. In the end, we have to assume the responsibility and solve the problems with political, revolutionary, and technical savvy.

There may be things implemented, in the end, as a pedagogical exercise, for example, charging entry fees at stadiums. Jose Luis said that charging for sports would bring in approximately 4.3 million pesos. I do not know how much—talk is cheap—we will have to pay to ticket workers to earn four million. Yet, we may approve this decision as a matter of principle in order to accustom the people, to get them used to pay and appreciate things more, to make them more aware of the moment we are experiencing, to make the people need money.

Since we are keeping money, since we are not going to eliminate money, we have to make money be worth something and make the people need money. We have no other choice. Otherwise, it will happen as a comrade said. We do not have service workers. The trained work force is joining the cabbies. There are some cabbies making 3,000 pesos, at least in Las Tunas. If we manage to collect a good amount of money through diverse means, even the cabbies' prices will have to go down because there will no longer be people paying 80 cents for a 10-block ride.

We have to be greatly concerned with salaries. If we truly reduce the amount of money in circulation by the various ways suggested, we are going to give money back its value. Those making 100 pesos today are going to make much more, because even what is sold on the streets at abusive prices will have to be sold at lower prices. It is not only a matter of streamlining finances but of restoring the value of money and salaries. These are truly important things. These are crucial things and I believe we must be willing to take whatever measures are necessary. [applause]

Even if, the next morning, no one even wants to greet us. [applause] I would add not only next morning, but for months after that. None of these will be one-day measures, nor will the measures be understood in one day. Only the sum of the measures will be understood; only the sum of the measures will yield results and increase understanding.

The measures must follow an order. It is not a matter of taking any one measure today and any other tomorrow. The measures have to follow a rigorous order because in this case, the order of the factors alters the result. Jose Luis pointed out that some measures will, in practice, take months; some will take two months, others three. There may be certain measures that are not understood by the people when they are first implemented. This measure alone is not going to be the solution. It is only the first. Later on, they will see a second and, perhaps, better understand the first. However, these measures....[pauses] The measures have to form a group of measures by the time we reach the final decision. They have to follow an order and follow an implementation schedule, as well as a clear, very clear goal: the goal we have been pointing out here.

This is not independent of the special period. It requires the utmost understanding of the people. This does not mean the people are going to be happy with the measures. Some of them....[pauses].

Someday, we may have to charge a compounded tax to self-employed workers. Self-employment does not convey the right to become a millionaire. A self-employed worker with a horse and carriage, given the transportation shortages we have in certain cities and the abundance of money, allows a cabby to have up to five employees. One to take care of the carriage, another the horse, another to cut the grass—a complete bourgeois, who does not even want to hear the word tax.

Well, this country has to get used to the idea of taxes. Nunez Rodriguez spoke about this. About spoiled sons, prodigal sons, the generous father. It is true that we have become prodigal sons. However, a great majority of our people has an awareness and we can tell this because we see them working. With what are we paying those who do the harvest, who fight to overcome the lack of spare parts, tires, everything, who cut a slender cane because they did not get fuel? Are we paying them in hard currency? We are paying them in pesos. Those pesos of which there is an excess. Yet they are cutting sugarcane right now as we debate here—on 1 May, on a Sunday.

Tomorrow, they will also be out there cutting sugarcane. Likewise, many people are working at this time. This is the majority of our people. [applause] However, there is a dead weight that wants to live without working. The healthy side has to win over the rotten side. The worker has to win over the idle with this group of measures

which it is necessary to implement at a very difficult time. A time of excess [currency].

This is not the first time the country has had a budget deficit or a financial imbalance. These were solved before and the people were not even aware of it. Yet, we have to solve this imbalance under special period conditions because it is already causing great, great damage.

With intelligence, perseverance, and courage we must win this battle, although many will not immediately understand. They will understand later.

Whatever we do regarding the change of currency mentioned by Osvaldo, it is clear that we have to make the people trust our banks. We can not fritter away the day, sucking our thumbs. Yes, we know what is in and is not in the banks, and when it was deposited and when it was not.

I remember the first day we spoke about this. I said: This is a public battle but there is an art about it. When did we first speak about this? When did we broach it again? When, for a third time? They are not going to trick us so easily. We have to give a differentiated treatment to everyone. This is why we have to study it, use intelligence and imagination in order to preserve all those values that must be preserved. The most important value we have to preserve is the value of the wages of the workers. That is the one we have to revalue. The second value is that of the worker who made his money honestly.

We have to differentiate. How do we do this? We have thought much about how to do it. However, you must allow us to keep some secrets. In war, you do not say where the division is going to strike, nor when, or how many soldiers, pieces of artillery, or tanks. This is not divulged. We have said everything that needs to be said so that the problem is understood. In the end, we must keep to the end the tactics to be used. This is why it is not possible to openly and totally discuss the tactics. We have discussed here, in general, the goals, the strategy, the things being done and why.

Please excuse this interruption. It is my greatest wish, and that of all of us, to get the most out of this assembly and to be aware that what we are discussing is a complex problem, a difficult problem, I repeat, which demands political courage from the ANPP and the revolutionaries. Thank you very much.

### Ross Addresses Session

*FL0205140094 Havana Tele Rebelde Network in Spanish 1955 GMT 1 May 94*

[Speech by Pedro Ross Leal, secretary general of the Cuban Workers Federation [CTC], at the opening of the morning session of the National Assembly of the People's Government [ANPP] in Havana on 1 May; monitored in progress—recorded]

[Text] ...Furthermore, we have the immense satisfaction of having a representation of labor union leaders and friendly personalities who have come in large numbers to bring us their solidarity and encouragement on this 1 May. [applause] They symbolize all the workers and progressive forces that are mobilizing around the world to support our resistance, condemn the blockade, and defend their own hope in Cuba. Our most sincere thanks, esteemed brothers.

Before this session, Comrade Fidel showed us the path to walk. To his political view and his trust in the masses we owe the idea of the workers' parliaments, which were held with great success. In thousands of assemblies, workers expressed with profound feeling their appreciation to the commander in chief for giving them the opportunity to discuss the country's economic problems freely and openly. Thanks to that suggestion by Comrade Fidel in December, today we have a vast arsenal of ideas and proposals. We have discovered and put to work an important productive reserve; above all, we have reached a level of information and comprehension never before achieved on the nature of the problems we face, the conquests we should preserve, and which are our main alternatives to overcome the crisis.

The recent extended plenum of our National Committee of the CTC, during which we held an extensive exchange with the commander in chief on the results of the workers' parliaments, concluded that there is already a true national consensus upon which we can begin to build. For the Cuban labor movement, this process has also been an injection of energy and the discovery of methods that should serve to perfect our work further. We are sure that we now have the resources to reach the best conditions and to apply—gradually and intelligently, but with determination and firmness—the measures of restructuring and order that the people await: those that may emanate from this assembly and those that are already being carried out in tens of thousands of work centers with the understanding that only through more work and with an inevitable quota of sacrifice will we be able to overcome this exceptionally difficult situation.

The sacrifice is not what could intimidate us, because our people sacrifice themselves day after day. What can scare us is the possibility of losing our fatherland, which is finally free; the Revolution that brought work, justice, and dignity for all Cubans; and the socialism that transformed us into a people of comrades and brothers. For that reason, let us not vacillate in making the decisions that the country needs, in the certainty that no sacrifice will be too great if we preserve the historic conquests of the Revolution, and that nothing can break a people with no other vision than victory.

Viva International Workers Day! [crowd shouts: Viva!] Viva our glorious, invincible Revolution! [crowd shouts: Viva!] Viva Fidel! [crowd shouts: Viva!] Socialism or death, fatherland or death, we will win!

### Second Day of Session Under Way

*FL0205153494 Havana Radio Reloj Network in Spanish 1437 GMT 2 May 94*

[Excerpt] The second work day of the special session of the National Assembly of the People's Government [ANPP] began this morning with the attendance of Commander in Chief Fidel Castro, president of the Councils of State and of Ministers. ANPP President Ricardo Alarcon, with Jaime Crombet and Ernesto Suarez, is chairing this important meeting which analyzes recommendations on measures to be taken to restructure domestic finances. [passage omitted]

### ANPP Focuses on Streamlining Finances

*FL0205210694 Havana Radio Rebelde Network in Spanish 1700 GMT 2 May 94*

[Interview with Eduardo Martinez, president of the ANPP Economic Commission, by reporter Mariela Diaz, at the Convention Center in Havana on 2 May—recorded]

[Text] The second day of the special session of the National Assembly of the People's Government [ANPP] focused on adopting policies to implement measures aimed at streamlining national finances. During the ANPP sessions, the address by Eduardo Martinez from the Economic Commission of the ANPP regarding a possible change in Cuban currency aroused intense debate.

[Begin recording] [Martinez] I believe that the change of currency is a valid measure that could effectively act upon the problems of the national financial imbalance. Therefore, it is one measure in the arsenal of possible measures. I believe it can be implemented at the opportune moment, although I believe there is another group of measures that can be adopted in a first instance without having recourse to the change of currency. In other words, I am not putting aside that possibility at all, for it is one of the possibilities the government should have at hand for implementation at the right moment.

[Diaz] The people are also highly concerned about the capacity, the purchasing power of the currency. Some people have asked us: After certain measures are taken, the dollars will have no value? Perhaps they are referring to an intermediate currency between our currency and hard currency. How would this function?

[Martinez] I believe it is still a little speculative to talk about this. The measures to control the hard currency circulation in Cuba ought to be adopted, but their exact shape must be adapted to the reality, and at the opportune moment. Therefore, to now try to define the exact shape seems to me a bit speculative. I believe the ANPP is highlighting the essential, the need to exert control over the circulation of hard currency in the country, which is already part of excess liquidity.

[Diaz] Can you tell if the prices in the dollar stores are going to increase or drop following this financial readjustment?

[Martinez] I can not predict that.

[Diaz] Thank you. [end recording]

### 'Drastic' Economic Program Adopted

*PA0205231094 Hamburg DPA in Spanish 2127 GMT 2 May 94*

[Text] Havana, 2 May (DPA)—The Cuban Government today received a green light from the National Assembly of the People's Government [ANPP] to implement a drastic economic adjustment program that includes an increase in prices and tariffs on various products and services, the introduction of a graduated tax system, and an eventual exchange of currency.

The decision was made after two days of debates at the ANPP, which was convoked exclusively to analyze the fiscal deficit and the excess of money in circulation, problems which worsened dramatically after the collapse of Cuba's trade with its partners in the extinct socialist bloc.

Jose Luis Rodriguez, finance and prices minister, announced that the measures will be gradually applied in no less than 180 days.

The 600 parliamentary members unanimously approved the resolution in the presence of President Fidel Castro Ruz and also authorized an all-out struggle against black market speculators and hoarders, resorting to "exceptional measures" if necessary.

The resolution was drafted as an "agreement" that was read by ANPP President Ricardo Alarcon following a two-day debate during which the participants discussed recommendations from "workers" and from Minister Rodriguez.

First the ANPP asked the government to take the necessary measures to reduce subsidies that cover enterprises' losses and other budget expenditures, as well as to increase state revenues and "significantly" reduce the fiscal deficit, calculated to be 4.8 billion pesos (equivalent to a dollar at the official exchange rate) last year.

The ANPP also authorized the government to seek the "stability" of funds deposited at the People's Savings Bank (BPA), calculated to be approximately 6 billion pesos, which represents 54 percent of the excess circulating money—$11.636 million.

The resolution stated that the measures adopted to eventually immobilize those funds must be "consistent with the decisions that will have repercussions on the amount of money in circulation" but "must also protect the integrity of the BPA and encourage savings."

It also authorized the government to adopt measures to establish "adequate controls" on speculation with foreign currency, which increased noticeably with the

recent "legalization" of the dollar, to guarantee "fulfillment of the goals for which it was authorized and which correspond to the measures adopted to put internal finances on a sound basis."

Referring to prices and tariffs for products and services, the ANPP asked the government to "assess" an increase for "selected products and services," particularly those "not considered staples," including cigarettes and alcoholic beverages, and tariffs on certain services, such as restaurants, transportation, electricity, and water.

The resolution did not mention gasoline and lubricants, although it is assumed that their prices will be increased as suggested by Minister Rodriguez.

In another part of the agreement, the ANPP authorized the government to "gradually" implement a "new overall tax system," the enforcement of which takes into consideration "essential elements of social justice" to protect the sectors with the lowest income and to encourage work and production.

The document specifically suggested considering the "selective introduction" of an income tax, excluding salaries and real estate.

Although authorities said the measures will not affect the goals achieved in the education and health sector, the ANPP suggested the implementation of a "contribution" from the workers to finance social security.

Regarding an eventual exchange of currency, mentioned by Minister Rodriguez as a probable weapon in the "arsenal" of measures to counter the fiscal deficit and the excess of circulating money, the ANPP recommended "examining the advisability" of its implementation as "an element to complement other measures and to be enforced when the time is right."

The legislative branch virtually gave Fidel Castro's Government carte blanche by authorizing it to adopt other measures that, in its opinion, are considered "adequate and efficient" to put national finances on a sound basis.

When the announcement was made the legislators said the actions to be carried out by the government, and which Castro personally considered difficult "require the understanding and support of our people" to "progressively overcome the current circumstances."

### Alarcon Lists Points of Accord

*FL0205234394 Havana Radio Rebelde Network in Spanish 1700 GMT 2 May 94*

[Text] The approval of the accord on proposed measures and strategies to correct the national financial imbalance was the most important moment of this special session of the National Assembly of the People's Government [ANPP] held in the presence and with the active participation of Commander in Chief Fidel Castro.

The text of the document introduced by ANPP President Ricardo Alarcon de Quesada underscores the need to guarantee strict control of the implementation of the national budget at every level:

[Begin Alarcon recording] It asks the provincial and municipal assemblies to systematically audit the implementation of the budget in every region and promote the measures necessary to reduce expenses and increase revenues.

It charges the ANPP Standing Commission for Economic Affairs, in close cooperation with the Finance and Price Ministry, with directing the fulfillment of this task.

It highlights the importance of the accords adopted by the workers assemblies to promote economic efficiency and those accords that will be further developed through the assemblies, to be held from this date on, at work centers.

Likewise, it highlights the decisions approved by cooperative workers and those to be promoted by the Farmer's Honor and Pride assemblies, which are about to begin.

It determines that deputies, provincial and municipal delegates, and People's Councils are to be closely tied to these processes, and supports them in their contributution to the development of a powerful, effective, and systematic movement of the working masses in order to promote, from the base, collective initiatives to rationally use available resources, increase labor discipline and morale, adopt possible actions to increase efficiency, and audit compliance.

Our working people, who honorably confront the current adversities, have expressed their categorical rejection of the unscrupulous activities of those who have become wealthy, or intend to do so, at the expense of the sacrifice of the majority, and have demanded energetic action against those manifestations and their perpetrators.

As a result, the ANPP charges the Council of State and Government with adopting, as quickly as possible, every measure necessary, including those that might have an exceptional character, to eradicate those activities in the shortest possible period and exemplarily sanction the people involved.

The ANPP, likewise, charges the government with adopting decisions to systematically reduce the subsidies to cover losses of enterprises and other budgeted expenses, as well as increasing state budget revenues to significantly reduce the fiscal deficit.

To attain the stability of funds deposited in the People's Savings Bank [BPA] in correspondence with decisions affecting the volume of cash in circulation, while preserving the integrity of the BAP and savings incentives.

To establish measures promoting adequate control of the circulation of hard currency in the country, ensuring that the goals for which this circulation was authorized is fulfilled, and corresponding with measures adopted to streamline national finances.

To introduce essential production incentive mechanisms to promote an increase in the offer of products and services to the population at appropriate prices to stimulate the streamlining of national finances.

To study price and tariff increases on selected products and services taking, into account the feasibility of increasing prices on consumer items—basically, nonessential products such as cigarettes and alcoholic beverages—and tariffs in certain service categories such as public food services, transportation, and electricity, as well as charging for gratuities.

To gradually implement a new comprehensive tax system, taking into account indispensable elements of social justice to protect the lowest income sectors, stimulate work and production, and contribute to balancing national finances.

To study the selective introduction of a tax on personal income, excluding taxes on salary retributions, as well as increasing other taxes, rates, and contributions to state revenues.

To also study, in this regard, charging a tax for the use of aqueduct and water service, as well as having the workers contribute to the financing of social security.

To examine the feasibility of a change of currency to complement measures to be implemented at the opportune moment. Adopting other measures that, within these proposals, in the opinion of the government, are considered adequate and effective toward streamlining national finances.

The actions undertaken, and those to be taken in the future, require the understanding and support of our people. These will lead us to gradually overcome the current difficulties and will allow us to preserve the work created with everyone's effort, assuring for Cuba an even more just and noble future.

We call on everyone today to persevere in the heroic resistance, to redouble daily efforts, to continue demonstrating the undefeatable strength of our patriotic and revolutionary will, to continue fighting united to save our fatherland, Revolution, and socialism.

National Assembly of the People's Government, 2 May 1994. [end recording]

Commander in Chief Fidel Castro gave an address following the approval of the accord.

### Castro Announces Upcoming Decree

*FL0305010894 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 3 May 94*

[Excerpt] The National Assembly of the People's Government [ANPP] has approved the policies guiding the national financial reorganization. Commander in Chief Fidel Castro announced the upcoming promulgation of a decree law confiscating ill-gotten wealth resulting from profiteering.

[Begin Castro recording] Of course, the first one is going to come out, I believe, this very week. It is a Council of State decree law regarding the confiscation of ill-gotten wealth. [applause] [end recording] [passage omitted]

### Currency's Value Plummets on Black Market

*PA0305022294 Hamburg DPA in Spanish 0028 GMT 3 May 94*

[Text] Havana, 3 May (DPA)—The Cuban peso's exchange rate with the dollar plummeted today in Havana's black market following official announcements of imminent economic adjustment measures and an all-out struggle against black market speculators.

The price of the U.S. currency, which was 100 pesos until this weekend, ranged between 300 and 500 pesos on the black market today, according to foreign tourists visiting Havana's downtown area and the old sector. The official exchange rate is one peso for one dollar.

A reliable anonymous source told DPA that "people today were frantically purchasing dollars in the streets of Havana."

Apparently speculation began after parliament, which met in a two-day special session, authorized a package of measures to reduce the fiscal deficit and the excess of circulating money. The package includes increases in prices and tariffs on various products and services, the implementation of a tax system, and a possible change in the type of Cuban currency.

This was compounded by the official announcement of an all-out struggle against black market hoarders and speculators, popularly known as "macetas." These "macetas" face confiscation of their assets if they cannot explain the source of their fortunes.

President Fidel Castro personally announced at the conclusion of today's parliamentary session the imminent approval, this week, of a decree-law on this issue.

### People Besieging 'Diplomatic' Stores

*PA0205202294 Mexico City NOTIMEX in Spanish 1724 GMT 2 May 94*

[By Francisco Ramirez Cardenas]

[Text] Havana, 2 May (NOTIMEX)—Thousands of Cubans today continued besieging the special stores that sell in dollars for fear of renewed price increases and the replacement of the U.S. currency by a local convertible peso.

[Words indistinct] National Assembly (Parliament), which is examining a harsh program of adjustments to reduce the budget deficit and the cash surplus. The budget deficit is currently 4.2 billion pesos and the excess working capital totals 11.636 billion, both equivalant to dollars at the official exchange rate.

For over a week, long lines of people have been gathering at the doors of the so-called diplomatic stores (diplotiendas) spurred by rumors to the effect that upon making purchases their dollars will be devaluated. This devaluation will become effective with the official issuance of new bills called certificates, which the people will exchange for devalued pesos at an as yet unspecified rate, according to diplomatic sources.

The purpose, according to the government media, is to exercise control over the growing dollarization of the island's economy. In August 1993 the government legalized the possession and use by citizens of freely convertible foreign currency.

Managers of stores such as the Caracol Chain, Panamericana, and Tecnitiendas over the weekend required the help of police to control cases of extreme tension among people in the lines. On San Rafael Street, an ancient commercial area where state-owned establishments' display cases are empty, the multitude overflowed the sidewalks and tangible tension at times posed a threat to the glass display cases. The manager of a Caracol store in the old Free Havana hotel issued instructions to have one of the lines moved back approximately 50 meters from the facility because "they hardly allowed room for the tourists," who are given priority.

At the supermarket located at the intersection of 5th and 42d Streets in the once exclusive Miramar neighborhood, NOTIMEX saw a line of Cubans with bags stuffed with various items, including household appliances such as pots, television sets, and tape recorders. These purchases, which some diplomats attributed to panic, were confused with many people's purchases for "Mothers' Day," which is celebrated in Cuba on the second Sunday in May.

Finance and Price Minister Jose Luis Rodriguez yesterday defended the plan to collect a greater volume of dollars by selling products in those stores at higher prices and by taxing individuals whose salaries are paid in foreign currency. "The established policy is to collect the highest margins of profit through high prices, from foreign currency holders. These funds are then redistributed throughout the country for the people's benefit," according to Rodriguez.

At those stores, some of which bear the acronym TRD (foreign currency collection stores), prices are (?comparable) to those in the big cities of developed countries such as Tokyo, Paris, and New York.

Through the legalization of the dollar, the promotion of foreign investments, and tourism, the government is attempting to deal with the serious shortage of foreign currency resulting from the loss of its relations, preferential trade, and aid from the now defunct USSR. Since the legalization, the dollar has become the only currency with real purchasing power and for some the ownership of dollars has become a relief from the shortage of food, medicines, and other consumer goods.

According to Rodriguez, the taxation of income received in foreign currency would be applied to those people who receive payment in dollars and not to those who receive money from relatives abroad, such as exiles in the United States and other countries.

Having been authorized to undertake self-employment, producers who have no property and individuals who provide services are asking their clients for dollars, each of which go for 100 to 120 pesos on the flourishing black market.

Rodriguez also outlined to the legislators a package of monetary measures that include price and public service tariff increases, the implementation of taxes, the cessation of subsidies and heretofore free services, without dismissing the possibility of a change of national currency.

President Fidel Castro on Sunday told legislators that it is not only a matter of reorganizing the country's finances but of revaluating the money and salaries of state employees, 76 percent of whom receive an average of 180 pesos a month.

## Economic Efficiency Assemblies To Begin 15 May

*FL3004011094 Havana Radio Rebelde Network in Spanish 2300 GMT 29 Apr 94*

[Text] In a meeting of the extended secretariat of the Cuban Workers Federation [CTC], chaired by CTC Secretary General Pedro Ross Leal, it was announced that the Assemblies for Economic Efficiency will be held in all work collectives beginning on 15 May.

A recent survey conducted to obtain reaction on the first assemblies of this type indicated that the assemblies constitute an important form of participation so that the collectives can measure their progress in production and services.

During the meeting, Ross insisted on the CTC's role in supporting the changes and transformations that are necessary and said that the Assemblies for Economic Efficiency preserve the spirit of the parliaments in the workplace.

## Editorial: 1993-1994 Sugar Harvest 'Vital'

*PA0205204994 Madrid EFE in Spanish 1736 GMT 2 May 94*

[Text] The 1993 to 1994 sugar harvest is considered "vital" to halt the deterioration that has characterized Cuba's economy for several years and to begin a modest upward trend, an editorial for the weekly TRABAJADORES, mouthpiece of the Cuban Workers Federation [CTC], reports today.

It recalls that the sugar industry represents the main source of income for the island and that it is also "the measure of the nation's pulse, a crucial parameter on

which all eyes are directed, with or without reason, to make a diagnosis" of the current economic situation.

The production goals for this harvest, which does not end until June, only exceeds by several hundred thousand tons the previous harvest of 4.2 million tons, the second smallest in the past 30 years, according to the CTC.

It also considers the effect the drop in sugar production in 1993 may have had, both on the island and abroad. This repercussion was even more intense than the fact that in the same year importations were reduced by a little more than 70 percent compared to 1989.

The last sugar harvest netted $700 million, $450 million less than in previous years.

"To produce more sugar than last year and not leave a single sugarcane unprocessed is a task that demands unlimited heroism and stoicism," the weekly states.

Among the negative factors it cites during this harvest are a lack of tires, batteries, and all kinds of spare parts for the harvest, transportation, and the selfsame industry [propia industria], a lack of electricity, and an irregular rain pattern.

The weekly notes industry and harvest workers have not been wearing appropriate clothes or shoes, and their food intake has been far below that received in other years to carry out their work.

It also notes that in May and June efforts were concentrated not only in cutting and milling but also in the harvest in order to increase sugarcane production levels to those of several years ago when results exceeded 8 million tons.

### Castro Meeting With Aid Official Noted

*FL3004182094 Havana Radio Progreso Network in Spanish 1000 GMT 30 Apr 94*

[Text] Manuel Marin, vice president of the European commission for humanitarian aid, stressed in Havana the political willingness of the European Union to help Cuba, not only in the humanitarian field, but also in the economic and technical fields as well.

According to an AFP dispatch, Marin met with President Fidel Castro and praised the opening made by the Cuban Government, yet, Marin specified, the European Union is waiting to see the economic reforms that will, no doubt, result from the National Assembly of the People's Government special session.

### Colombian Foreign Minister To Visit 3 May

*FL0205235294 Havana Radio Rebelde Network in Spanish 1700 GMT 2 May 94*

[Text] Colombian Foreign Minister Noemi Sanin will arrive for an official visit to Cuba on 3 May. This visit reconfirms bilateral ties between Bogota and Havana since diplomatic relations were reestablished on 28 October 1993. Cuban Foreign Minister Roberto Robaina officially visited Colombia on December 1993. Following Robaina's visit, the executive secretary of the Council of Ministers visited Colombia and at the time, several commercial agreements were signed.

### Seminar Attendees Study Industrial Property

*PA2904133794 Havana Radio Havana Cuba in Spanish 0000 GMT 27 Apr 94*

[Report by Marianela Samper; from the "Evening Information Review" newscast]

[Text] The first international seminar on industrial property and business possibilities in Cuba has concluded in Havana with a positive discussion of experiences by experts and specialists from the 14 nations that gathered here. The debate was enhanced by topics as important as Latin American integration in industrial property [propiedad industrial] and what the subcontinent could do in light of the new challenges posed by the revamping of the international legal order, which is gaining strength.

Regarding the use of the patents cooperation agreement, which began (?in May) 1978 under the auspices of the Intellectual Property World Organization [Organizacion Mundial de Propiedad Intellectual], the participants discussed some of the advantages to the countries that adhere to it, including the right to defend claims on inventions in more than 60 countries and the extension of the time granted to applicants before entering the national phase; these advantages allow for further development of the invention, marketing, and facilitate a better financial condition in order to meet other expenditures. Here, one needs access to an extensive technological bibliography. Jesus Sanchez Lima, from the United States, has commented on the treaty and the North to South transfer of technology.

[Begin Sanchez recording] I look at it from a perspective different from other participants in this field, many who primarily.... [pauses] regarding the lobbying by the (?First World) against the Third World. Though I believe in the patents system and think these limited monopolies granted to the inventors are the most effective way to stimulate inventions, I believe, nonetheless, there must be a limit to those monopolies. Those limits in many countries that are forced by economic reasons to join treaties like GATT and NAFTA may not yield the expected results. [end recording]

During the international seminar emphasis was also placed on the overlap between copyright or industrial property, which provide protection to artistic and literary works, and inventions and patent rights. There was a consensus to consider a possible legal system, at both the national and international levels and to establish the principle of a single right over goods and materials. In conclusion, here is the opinion of one of the Cuban experts who attended the meeting.

[Begin unidentified speaker recording] It has challenged us to exercise our intelligence, and by that word I mean the intelligence of those who live in Cuba. It has made us think beyond what we are used to thinking and even open ourselves to the challenges our domestic policy of promoting foreign investments in certain sectors are posing. Matters we had not considered, including in our legislation, are discussed here as the problems other legislations have. They will not be problems for our laws, because we have been forewarned. In a general sense, the [word indistinct] is highly positive. [end recording]

This seminar also served to explore the future report that will contain the steps Cuba has been taking against legal regulations on industrial property and the expectations it offers Latin America by adjusting its laws.

## Electricity Deficit To Cause Pattern of Outages

*FL3004015594 Havana Radio Rebelde Network in Spanish 2300 GMT 29 Apr 94*

[Text] The Electric Union has announced that, next week, the situation regarding the generation of electricity will maintain the same pattern as last week, even though there could be fewer outages this weekend with the reinsertion of other generators that had been damaged or were under maintenance. The Electric Union has also predicted a deficit of 630 megawatts, which means that there will still be outages between the hours of 0500 and 2400 local time.

## Social Research on UBPC Labor Force Reported

*94CA0098B Havana BOHEMIA in Spanish No 6, 18 Mar 94 pp 30-33*

[Article by Mirta Rodriguez Calderon]

[Text] Every time the people sit down to eat, an explicit or implicit thought goes to the UBPC [Basic Cooperative Production Unit] and the rest of the rural producers.

The combined expectations placed upon this type of production, which assimilates the experience of the Anapistas [members of ANAP: National Association of Small Farmers] imply the risk of added frustrations (as in the recent case of the food program) if the people are not fully aware that it will take time—and not just days or even months—before a serious dent is made in the frugality of our meals because of the UBPC's.

One cannot lose sight of the fact that our cooperative workers have inherited an agricultural picture with marked shortages of fuel, fertilizer, herbicide, tools, and shoes, a costly economic program involving machinery, pumping, and irrigation systems (in addition to dams, minidams, and canals), combined with an inefficient system of collection worsened by a lack of containers and a partially inoperative transport pool.

The UBPC members as a whole can decide whether or not to acquire this equipment that places such a burden on their economy (which is what is happening in some places, where they have rejected the FREGAT irrigation machinery, for example, and some of the tractors, harvesters, and cane combines). Replacing these resources implies efficiency, but also a return to manual labor, just as we have had to go back to oxen. This means that our aspirations for a high-yield agriculture will have to be postponed for who knows how long.

It may be worthwhile to note that more than a few experts maintain that this should never have been the model chosen for Cuba, any more than the gigantic scale of certain factories and enterprises.

Forced as we are to deal with the situation at hand for the time being, what strikes us are the events connected with the establishment and first steps of the UBPC's, which promise to provide us with a better supply of products from the land and within a reasonable period of time.

Obviously, what is happening in the fields is closely connected with our very survival.

This experience of cooperativizing the work, means, and production, based on national ownership of the land and macroresources (highways and dams), with the state as the sole buyer, does entail unknown factors of interest to everyone, particularly specialists in agricultural transformations.

In other words, it is not only the politicians, economists, government officials, and farmers themselves who are impressed with the need to continually evaluate the progress of the process. Veteran academicians are also sharpening their arsenal of scientific tools in order not to lose ground or their footing.

Such is the case of the Rural Studies Team of the Department of Sociology of the University of La Habana, headed by Dr. Niurka Perez Rojas and made up of Dr. Cary Torres Diaz and Miriam Garcia Aguilar. Supported by a group of students, the three women have been examining the startup of the UBPC's in our country and conducted field studies in the municipalities of Santo Domingo in Villa Clara and Guines in La Habana.

In addition to a solid volume of first-hand information, the researchers have evaluated the motivations and individual features of the labor force making up the UBPC's.

For Professor Perez Rojas, "state-owned agriculture had demonstrated inefficiency in terms of stimulating farm workers, but also with respect to yield and the organization of work. Previous studies done by our team had already demonstrated that the farm worker's household had a lower level of monetary income than did cooperative members and individual farmers."

"The UBPC members are starting from a very difficult situation of a state-owned economy that is generally unprofitable," Niurka emphasized. "It is an economy in deep crisis. This explains why its essential motivation and prime priority is to obtain food for the family via

accelerated development of crops in areas of local consumption and livestock modules."

"The second expectation identified by our research is the possibility of obtaining more monetary income. Although this was not articulated, we realized during our interviews that the workers also hope to obtain surpluses in time. Being able to participate in management and major decisions ranging from the election of boards of directors to anything having to do with autonomy is the third motivating factor.

"Respecting and promoting that autonomy seems to me to be extremely important. I was quite concerned when I heard a leader in Granma Province tell the members of one UBPC that what was important was production rather than earnings. He was saying so because that particular UBPC wanted to cut its staff and operate with fewer workers than the state enterprise. In my opinion, the bottom line of any cooperative is the distribution of profits. Without it, there can be no profitability or efficiency. I think it is indispensable to respect the fact that it is in fact stipulated that they have the power to decide."

Another aspiration expressed by UBPC members is the possibility of building homes. The researchers believe that this motivation ranked fourth because it reveals the understanding of the current shortage of resources.

**Man and His Work**

For those seeking conceptual explanations of the phenomena of reality, the behavior of work forces within the UBPC has singular features.

"The first distinctive trait of the permanent UBPC work force is its duality," says Professor Cary Torres. She explains: "As long as they use the land and are the owners of the means and results of production, they are in fact owners, which gives them the right to participate in earnings and decisionmaking. However, they are at the same time an effective labor force. They are the workers and leaders within the productive process. This duality makes them different from salaried workers, both in terms of their relationship to the means of production as well as their social production."

Another important element in the researchers' analysis has to do with the distinction between "the permanent work force and the hired work force, resulting from their different positions with respect to the means of production. This lends an element of subordination to the hired work force compared with the permanent work force, Torres Vila said, because the former do not have the advantage of participating in decisionmaking or local consumption, housing possibilities when scheduled and built, or other benefits.

The analysis begun by the Rural Study Team of the School of Philosophy and History will also ponder the labor-related reaction of cooperative workers (the name given to UBPC members). "It is a known fact that when they were state agricultural workers," the professors say, "they did not work a full eight hours. There was absenteeism and productivity was very low. Placed in different conditions providing them with a real feeling of belonging, material incentives, and participation in decisionmaking, the same individuals have begun to react. We have observed that the same workers who performed for three or four hours are now doing so for eight or more. We also see encouraging signs of improved productivity. If this trend continues, the hired labor force and particularly the number of mobilized [sic] workers will be minimal."

**Many Watching Us**

Like everything else happening to us now, at a time when so many people around the globe want to see us succeed and others are predicting the end of our dreams, the implementation of this type of agricultural organization is viewed with interest by scholars in other parts of the world.

The research being done by the Rural Study Team, which has just celebrated its tenth anniversary and which was the most outstanding collective from the School of Philosophy and History both last year and in 1992, is part of an international project on Agrarian Transformations in Socialist Countries sponsored by the MacCarthur [sic] Foundation in the United States.

The academicians heading up the study in Cuba are American economist Carmen Diana Deere, professor at the University of Massachusetts, and Cubans Niurka Perez Rojas and Ernel Gonzalez, who heads the University of La Habana's Department of Sociology. In an article to be published in the coming issue of the British Cambridge University's JOURNAL OF PEASANTS STUDIES, the three scholars maintain, among other things, that:

"Given the conditions of the special period, when nearly all types of food and other consumer goods are once again rationed, other incentives are needed in addition to linking pay to productivity in order to achieve a greater work effort and stabilize the size of the farm work force. With the considerable cut in the quantity and frequency with which many food products—including eggs, barnyard poultry, milk, and cooking oil are distributed—the sale of food to workers and the quality and diversity of the meals served in farm cafeterias have turned into incentives as important as wages paid in money.

"While it is still too soon to evaluate this dramatic reorganization of the Cuban state-owned farm sector," say the authors of the research report soon to appear in the British periodical, "it became clear in the interviews conducted that it has generated considerable optimism among workers as well as administrators, particularly in terms of the recovery of sugar cane production. UBPC members report that they certainly feel like 'owners' and are working longer days with greater intensity. They are

taking better care, not only of the land, but also of their machinery and implements."

**Beyond Desires**

It is certainly premature to make any further evaluations of the UBPC's and their future. In addition to positive desires, it is praiseworthy that the CPA's [Agricultural-Livestock Cooperatives] should transfer their experience and that the ANAP should help prevent the exodus of the UBPC skilled work force, as they are now doing.

It is also to be hoped that the UBPC's that grow a variety of crops will beware of the evils of disproportion that afflicted state agriculture: far too much cabbage and too few beans, large quantities of turnips and eggplant and too little rice. Political factors having to do with prices and plans that take the people rather than figures into consideration must also play a role.

Now that the people have scanned the horizon of the most noteworthy positive and negative factors, hope prevails. And time must be allowed to do its work.

## Report Notes Labor Day Parade in Pinar del Rio

*PA0105203594 Havana Radio Havana Cuba in Spanish 0000 GMT 1 May 94*

[Report by Susana del Calvo from Pinar del Rio; from the "Evening Information Review" newscast]

[Text] We toured Cuba's westernmost province, Pinar del Rio, whose capital city has become the seat of the region's International Labor Day festivities. The traditional joyful spirit of the Cuban people was present at the parade staged by thousands of workers, representing the many production sectors of Pinar del Rio. The younger generations were also present at this honorable function of the nation to reaffirm our revolutionary conviction.

In an opening speech, Bernardo Oliva, secretary general of the Pinar del Rio chapter of the Cuban Workers Federation, said more than 40,000 people from Pinar del Rio were doing voluntary agricultural work. Pinar del Rio has recently shown a certain degree of improvement, as manufacturing increased by 26.2 percent and services grew by 35 percent in comparison with the first quarter of 1993. Local industry, in accordance with the current trend, has grown by more than 92 percent and the child mortality rate has been lowered to 8.8 deaths per 1,000 live births. The Pinar del Rio workers movement has donated more than 1 million pesos in aid for financing of territorial militias. This again demonstrates the Cuban workers' determination to defend their achievements with their own blood, if necessary.

The weather on this beautiful, tropical day was kind to the men and women who marked International Labor Day on 30 April, so they can follow the sessions of the National Assembly of the People's Government on 1 May via the local radio and television stations. Workers from other parts of the world also marched in Pinar del Rio to celebrate their day with us today. One such group is the U.S.-based Venceremos Brigade, which is working on the tobacco harvest in protest of the embargo against our country.

In conclusion, I would like to say the most significant thing here is the contagious, joyful spirit of the Pinar del Rio workers as they celebrate 1 May.

## Roundup of Economic Developments

*FL2704213094*

[Editorial Report] The following is a compilation of reports on economic developments through 27 April:

Cuban and Mexican businessmen have agreed to establish a joint enterprise in the textile sector and to increase their business operations in more than 10 other areas. Diego Fernandez, spokesman for a delegation of Mexican businessmen visiting Havana, said 75 percent of the textile enterprise will be Mexican-owned. The 40 firms represented in the Mexican delegation will be able to sell perfumes, cosmetics, construction materials, canned juices, cookies, chocolates, fertilizers, insecticides, and chemical and pharmaceutical products in Cuba. Cuban firms will sell resins and marble for construction in the Mexican market. Mexico's annual sales to Cuba, especially products for the service sector, amount to approximately $124 million. Mexico imports about $7 million worth of nickel and tobacco from Cuba annually. (Mexico City NOTIMEX in Spanish 0509 GMT 21 Apr 94)

Radio Rebelde at 1155 GMT on 23 April reports that 915 Basic Cooperative Production Units (UBPC), with almost 90,000 members, have been formed nationwide in the agriculture-livestock sector. Salvador Valdez, secretary general of that sector's union, says that it is anticipated that there will eventually be 2,300 of these structures in that sector.

In the same newscast, Rebelde announces that the work group of the Australia Sugar Mill in Jaguey Grande has been awarded the Labor Feat banner. The Australia is the first sugar-producing complex in Matanzas Province to fulfill its production plans for the current harvest.

Radio Rebelde at 2300 GMT on 22 April reports that a factory run by the union of nickel enterprises in Moa Municipality, Holguin Province, makes "somewhat more than 1,000 kg of pigments per month for the construction materials industry." These pigments, obtained from nickel industry wastes, replace those Cuba has been importing for the production of tiles and toilet fixtures.

Radio Rebelde at 1700 GMT on 25 April reports that the low-capacity generator factory in Cacocum Municipality, Holguin Province, has already produced 200 generators with PRC technology. The report adds that this factory, the only one of its kind in Cuba, is in the final stage of construction. The plant will produce 23 kinds of generators of capacities ranging from 0.55 to 15 kw. It aims to

produce 30,000 units yearly. Once the local demand for these ?MT on 26 April reports that a metal recycling factory in Havana has experienced a decrease in its supply of scrap metal. Last year it recycled only 10 percent of the amount it recycled in 1990. In the first quarter of 1994, the nonferrous metals recycled have been less than 1 percent of the amount recycled in the same period in 1990. This recycling plant supplies approximately 50 other factories that use recycled metals.

Radio Rebelde at 1406 GMT on 26 April reports that the Espana Republicana Sugar Mill in Perico Municipality, Matanzas Province, has thrown away 5,000 liters of the biological fertilizer Azospirillum, which had not been picked up and was quickly decomposing in the holding tanks.

Radio Rebelde at 1700 GMT on 26 April reports that the months of May and June are crucial for the spring planting campaign. So far, 4,000 caballerias have been planted—76 percent of the goal for the January-April period. Over 18,000 caballerias are to planted in the first half of 1994; it is therefore important to stay on the planting schedule during the next two months.

Radio Reloj at 1930 GMT on 26 April reports that combine-harvester operator Carlos Nunez of platoon number six which provides sugar cane for the Hector Rodriguez sugar agroindustrial complex in Sagua la Grande, Villa Clara Province, was the first to cut 2 million arrobas of cane. Carlos Nunez is one of the most outstanding producers in the country during the current harvest, cutting more than 16,000 arrobas daily. He reached 2 million arrobas in 110 working days. Nunez expects to cut 100,000 arrobas more before the end of the harvest in northern Villa Clara.

Tele Rebelde and Cuba Vision Networks at 0000 GMT on 27 April report that, despite efforts by farmers in Matanzas, the potato harvest of that province did not reach the expected levels due to the infestations that affected the crops and the high humidity of the soil. The current harvest has been the worse of the past years. With only 20 caballerias left to harvest, approximately 500,000 quintals of potatoes have been harvested, which means that the final results will be short of the goal of 760,000 quintals for the people's consumption. According to estimates, the average yield will be 4,000 quintals per caballeria, which is short of the goal and of what the province traditionally obtains. So far, 100,000 quintals have been sent to Santiago de Cuba and 170,000 quintals are in cold storage centers.

Radio Reloj at 1930 GMT on 27 April reports that sugarcane planting will be intensified in Camaguey with the mobilization of thousands of workers toward that objective. From January to date, the province has planted 460 caballerias; the goal is to conclude the year with 1,189 caballerias of sugarcane. Recent rains and the dampness of the soil will accelerate seed germination.

In the same newscast, Radio Reloj adds that the Segundo Diaz Prado UBPC in Caimito, Havana Province, will try to improve sugarcane production for the next harvest. Adolfo Lozada, president of the unit, has told this station that most cane plantations are just sprouting and for this reason workers must accelerate cleaning and planting activities because, for the time being, they have no fertilizer. He added that the main problem is the need to build more houses for workers.

## Dominican Republic

### Election Campaign Violence Claims 2 Victims

*PA0205182494 Hamburg DPA in Spanish 1733 GMT 2 May 94*

[Text] Santo Domingo, 2 May (DPA)—The violent electoral campaign in the Dominican Republic has claimed two more victims, who were shot dead yesterday during an incident in which 17 more persons were wounded. Those who died were followers of the Dominican Revolutionary Party (PRD) who were participating in a large caravan that was attacked by unidentified assailants.

The dead individuals are Dr. Edgard de la Rosa, 29, and Nelson Nunez, 44. It was reported that Nunez was the bodyguard of Joaquin Sanchez, who is the PRD candidate for mayor of La Vega.

The PRD accused the followers of President Joaquin Balaguer and of the ruling Social Christian Reformist Party (PRSC) of having opened fire on the caravan with heavy-caliber weapons. Spokesmen for the opposition party said that since the campaign began last 16 March, seven of their followers have been murdered in various places and over 100 have been injured.

Today, PRD presidential candidate Jose Francisco Pena Gomez urged the PRSC and President Balaguer to sign a pact to halt violence and "prevent further bloodshed after the 16 May elections." Pena Gomez also proposed that none of the parties that will participate in the elections declare victory before the Central Electoral Board (JCE) makes the official announcement. The PRD also asked the Catholic Church to mediate so that this pact be signed and "no Dominican fall victim to political violence."

On 24 April, a 23-year-old woman was shot twice in the head and killed when a PRD caravan was attacked in one sector of Santo Domingo. Yesterday's incident occurred after the conclusion of a PRD regional meeting when a large number of followers were returning to La Vega. The shots were apparently made with an automatic weapon. The wounded were taken to hospitals in La Vega and Santiago. La Vega is some 160 km north of Santo Domingo.

## Haiti

### Demonstrators Turn Back UN/OAS Observers

*FL0205175794 Port-au-Prince Signal FM Radio in French 1030 GMT 2 May 94*

[Text] A group of six UN/OAS civilian mission observers in charge of monitoring respect of human rights had to turn around and depart on 29 April following a hostile demonstration [words indistinct] in the town of Le Borgne in the north of Haiti, UN spokesman in Haiti Eric Falt told AFP on 1 May. The mission had come to investigate the situation in this region, 50 km west of Cap-Haitien and 260 km from the capital, where Army units led an operation over the past weekend against (?a group of) presumed armed partisans of President Aristide, according to Haitian military officials.

Before their departure, the observers were able to converse for 10 minutes with the local populace and had a very animated but courteous 45-minute discussion with a special military delegation from Port-au-Prince, headed by an unidentified high-ranking officer. They were not allowed to enter the town, however, and remained at the Le Bourgne military outpost, the diplomat explained.

[Words indistinct] refused to make any assessment of the situation in this area, pointing out that a communique will be published by the civilian mission in the next few days. A group of U.S. journalists was obliged to hurriedly leave the area, before the observers did, in the face of a similar but much more aggressive demonstration, Falt said.

On the other hand, other observers were able to go without incident to Gonaives, 152 km northwest of Port-au-Prince, where 28 persons were allegedly killed on 22 April by soldiers in the slum neighborhood of Raboteau. According to Eric Falt's announcement on 1 May, a communique from the civilian mission should be published in that regard on 2 May in Port-au-Prince.

### MOJEP Petitions 4 Friendly Countries on Sanctions

*FL0205221794 Port-au-Prince Signal FM Radio in French 1030 GMT 2 May 94*

[Text] The Movement of Young Patriots [MOJEP] demands a total embargo to resolve the current crisis. The secretariat of MOJEP, as a political organization involved in the struggle of the Haitian people for the return of democracy, peace, and social security in the interest of all Haitians, is pleased to send this letter to Haiti's four friendly countries, the United States, France, Canada, and Venezuela, to solicit a total and impartial blockade to force the criminals of Port-au-Prince to hand over power to constitutional Haitian President Jean-Bertrand Aristide. They have monopolized it since the bloody military coup of 29 September 1991.

Dear countries friendly to Haiti, says MOJEP, we pray you to please show understanding by granting us this request. We count on your spirit of collaboration, says the letter signed by [word indistinct] Herve, organization secretary general, and Louis Bauduy Francois.

### Dominican President Opposes New Sanctions

*FL0205223794 Port-au-Prince Signal FM Radio in French 1030 GMT 2 May 94*

[Text] Dominican President Joaquin Balaguer has reiterated his opposition to reinforcing the embargo against the military regime of Port-au-Prince. The Dominican president stated: The UN countries have demanded reinforcement of those sanctions; I am against those sanctions. Balaguer explained that his regime does not agree with reinforcing the embargo even though it is demanded by the United States. The Dominican Republic is part of the United Nations.

Previously, [according to] the texts, or at least the analyses presented by the Dominican newspapers EL DIARIO and LISTIN DIARIO, for example, Dominican President Joaquin Balaguer stated that only humanitarian aid should pass over the border separating the two countries.

### Humanitarian Group Denounces Embargo Effects

*FL0205174894 Port-au-Prince Radio Metropole in French 1045 GMT 2 May 94*

[Text] A French humanitarian organization denounces the effects of the embargo on the Haitian population. The organization called International Action Against Hunger denounced the harmful effects of the UN sanctions on the civilian population in Haiti and thinks that the country is threatened by a major catastrophe. In a communique issued in Paris, the association calls attention to the alarming deterioration of the situation in Haiti, where terror expands day by day and where car traffic is almost impossible because of lack of fuel.

### Sansaricq Seeks Popular Support for New Government

*FL0205174794 Port-au-Prince Radio Metropole in French 1045 GMT 2 May 94*

[Text] One of the main promoters for the formation of a new government through the application of Constitution articles is trying to obtain popular support. On 29 April, Senator Bernard Sansaricq sent a call to the population to support the application of Article 149 of the Constitution, the only chance, according to him, to spare the country a social explosion. Sen. Sansaricq promised the populace the formation of a nationalist, competent government, with new people for a new start.

## Cite-Soleil Victims Protest Meager Relief Rations

*FL0205223694 Port-au-Prince Radio Signal FM in French 1030 GMT 2 May 94*

[Text] According to a reliable source, there will be new food distribution aid to the victims of Cite-Soleil, beginning on 2 May. This distribution of food products is aimed at relieving the population of Cite-Soleil, victims of a violent fire on 27 December 1993.

Furthermore, on 27 April, a note from the Ministry of Public Health pointed out the importance of a vast program to rebuild the small houses destroyed during the fire, which will require the sum of 35 million gourdes. MSPP [Ministry of Public Health and Population] had since promised the distribution of food to the victims.

Many victims of the 27 December 1993 fire in Cite-Soleil demand that the Ministry of Public Health provide them with efficient help. In a news release dated 30 April, the Committee for People Whose Houses Burned in Cite-Soleil protested the meagre portions of rice and cooking oil distributed to the victims. It is also demanding sanitary conditions adequate for survival. Those signing the news release are threatening to demonstrate their dissatisfaction today in Cite Soleil during the food distribution planned by MSPP.

## Parties Agree To Hold Presidential Debate 12 May

*PA0305023294 Mexico City Radio ACIR Network in Spanish 0000 GMT 3 May 94*

[Report by Jose Luis Sarmenta]

[Text] Next Thursday, 12 May, a debate will take place between presidential candidates Cuauhtemoc Cardenas, Ernesto Zedillo, and Diego Fernandez de Cevallos. The PRI [Institutional Revolutionary Party], PAN [National Action Party], and PRD [Party of the Democratic Revolution] representatives who agreed to hold the debate on 12 May also decided that it would take place at 2100 to allow most of the Mexican people to watch the debate, which will be broadcast live.

At a brief news conference called by PRI Deputy Secretary General Esteban Moctezuma, PRD representative Adolfo Aguilar Zinzer, and PRI presidential candidate Diego Fernandez de Cevallos, it was announced that the site of the debate has not yet been determined. According to presidential candidate Fernandez de Cevallos, the site has not yet been selected because of technicalities and logistics that need to be worked out among the three parties.

[Begin recording] [Fernandez Cevallos, in progress] ...that the debate will take place on 12 May at 2100. It will only be possible to reschedule the debate through an agreement among the three of us. This is all of the information we have for you at this time.

[Unidentified reporter] Where will the debate be held, sir?

[Fernandez Cevallos] The site has not yet been determined. The selection of an appropriate site will depend on logistics. [end recording]

PRI representative Esteban Moctezuma noted that, so far, more than 10 possible debate sites are being studied. At any rate, it was explained that the exact site would be announced within the next few days.

## Secretariat To Locate 'Clandestine' Radios

*PA0305025394 Mexico City LA JORNADA in Spanish 29 Apr 94 pp 1, 18*

[Article by Victor Cardoso]

[Text] As of this month, the Communications and Transportation Secretariat (SCT) will be able to detect and locate—almost immediately anywhere in the country—any radio station transmitting unauthorized telecommunications signals, including those of the Zapatist National Liberation Army (EZLN), or any equipment seized from drug traffickers.

In order to do this, last year, the SCT began to install 42 radio monitoring stations that cover all national territory. Two or more stations were installed in seven states where there are high crime rates or social problems (Baja California, Chihuahua, Sinaloa, Guerrero, Veracruz, Tamaulipas, and Chiapas), while the rest will have only one station.

A high-ranking SCT official also confirmed that these actions will detect and locate the communications signals of the EZLN, which has been illegally using the microwave network owned by the Mexican Telephone Company.

It was unofficially learned that work was being done to replace the internal telephone network of the federal government (also known as the red telephone) with safer, more reliable technology less susceptible to interception. All federal government offices agreed to this change in November of last year, but the Government Secretariat raised many obstacles when the SCT technicians tried to do their work.

Through the National Radio Monitoring Network (RNR), which is part of the National Board for Assigning Frequencies, the SCT will be able to determine the location of any transmission that is made within national territory. This network has the most advanced equipment in radio communications and computer technology.

Officially, the goal is to regulate and normalize radio communication services in the nation, and it is the result of continuous efforts by the SCT to modernize, organize, and regulate telecommunications in the country.

The provisions established in Radio Communication Regulations of the International Telecommunications Union as well as other factors that result when one's own needs are met were taken into consideration in order to begin operations. These are actions related to national security, and therefore some were made in absolute privacy at the highest level of the government.

It is justified in everyday activities since it regulates the broadcasting of signals used by industry, business, medical and educational services, transportation, and so forth through the entire radio electric spectrum by microwave, fiber optics, and satellites in frequency, both VHF (Very High Frequency) and UHF (Ultra High Frequency), that is, ranging from 10 kHz to 18 gigahertz.

Likewise, through the RNR, which will begin operations this month, one will be able to locate the source of any unauthorized broadcast or broadcasts that interfere with any frequency throughout the country. "Coordinating emergency assistance in cases of disaster or national emergency," as well as "improving surveillance and controlling services through the use of mobile units in coordination with stationary equipment for data processing and inspection," are among the objectives of the SCT with respect to the RNR.

"The radio electric spectrum is a common good that is used in the systems of radio communications such as radio, television, microwaves, radio telephone system, air and maritime radio navigation, space communications, and military communications, among others,"

says a SCT document based on the implementation of the National Board for Assigning Frequencies.

It considers other important aspects of the use of the radio electric spectrum, inasmuch as telecommunications "promotes the integration of Mexico; strengthens the institutions of the three levels of government; supports and promotes employment and national industry; supports and coordinates agricultural, livestock, fishing, and mining activities, as well as trade, transportation, and communications; and provides entertainment and disseminates news and information."

According to the document issued by the General Directorate of Telecommunications, an office of the Undersecretariat of Communications and Technological Development, that refers to the National Board for Assigning Frequencies of Mexico 1993, the RNR will be organized as follows:

The RNR will have a control center located in Mexico City for its administration and control. It will have fixed primary and secondary stations, remote stations, and mobile stations assisted by a computer as well as by portable survey equipment.

The RNR will be organized with a Control Center, fixed stations (primary and secondary), and remotes (Group "C.2") as a star type which will enable remote access of data and operational control, when necessary, from the above mentioned Control Center.

Likewise, four secondary stations will have remote ancillary stations to control, including the transfer of data.

- Communication, information, and voice links to transfer data from remote control sites will use the SCT telecomputer network and the Mexican Telephone [Telemex] public network to access the database on the radio spectrum and coordinate it.
- The RNR stations will monitor the LF [low frequency] to UHF bands (from 10 kHz to 2.0 gHz) at fixed stations and mobile units, and with portable inspection equipment up to 18 gHz.
- The RNR stations will cruise radio broadcasts using interferometry in MF [medium frequency] and HF [high frequency] and direction finders in VHF and UHF in fixed stations and from MF to UHF in mobile units.

**RNR Operations**

According to the document, the RNR stations will operate 24 hours a day, 365 days a year. The Control Center will be responsible, at a national level, for the RNR's radio monitoring and radio cruising activities. The Control Center will be the channel to access the information obtained on the radio spectrum, thereby establishing an effective correlation with the available radio information.

The Control Center's computers will be interconnected to operate as a local area network (LAN) so that any computer station can be used to control the equipment, the communication network, triangulation, supervision, and analysis separately as well as to operate any radio monitoring station by remote control.

**Radio Monitoring**

Each of the stations, according to their classification, will automatically carry out the assigned tasks assisted by the computer. At any time, the operators will be able to analyze the information obtained from several of the regular parameters against the anomalies presented by one or several broadcasts; repeatedly gauging the broadcasts; and storing, taping, and preparing a report on the information from the located broadcast.

**Radio Cruising**

This task, according to the document, will be carried out if any of the RNR stations, the Control Center, or the central office of the SCT and its centers, or an office of another country, requests a search for an interfering or unauthorized broadcast source. The coordination of this activity will be the responsibility of the Control Center, which can require the intervention of all the stations that have a radio cruising system (Group "A.") The information (coordinates and identification of the station, readings obtained from the interfered: distance, coordinates, etc.) will be fed into the triangulation system where the broadcast location area will be displayed automatically, producing a printed report on digitized maps.

The "B.1" Group stations tasked with radio monitoring and radio cruising in VHF-UHF will be supported by remote urban stations (Group "C.1") linked through the Telmex telephone network. The remote stations' control will be automatic.

For the triangulation task at the Control Center and Group "B.1" stations, the software [previous word in English] will present cruising of the broadcast location area and will produce a report on the printer or plotter [previous word in English]. In the case of the Group "B.1" stations, they can transfer this information to the Control Center.

**Primary Stations**

Group "A" comprises fixed stations that will monitor radio stations in the bands from LF to UHF (10 kHz up to 2.0 gHz) and cruise with interferometry from MF up to HF (1.0 MHz to 30 MHz). They are located in Cerrillo, Mexico; Hermosillo, Sonora; Merida, Yucatan; San Fernando, Tamaulipas; and Tapachula, Chiapas.

**Secondary Stations**

To carry out their tasks, those stations will be subdivided into:
Group "B.1."—Fixed radio monitoring stations within the bands LF to UHF (10 kHz to 2.0 gHz) and radio cruising with direction finders in the VHF and UHF

bands (20 mHz to 1.0 gHz). They are located in Guadalajara, Mexico City, Monterrey, and Tijuana, and they will also control subnetworks in the remote stations (urban) mentioned in Group "C.1."

Group "B.2." Fixed radio monitoring stations in the bands from LF to UHF (10 kHz up to 2.0 gHz). They are located in Acapulco, Ciudad Juarez, Chihuahua, Leon, Mazatlan, Morelia, Oaxaca, Puebla, Tampico, Torreon, San Luis Potosi, Veracruz, and Villahermosa.

**Remote Stations**

Group "C.1." Remote radio monitoring stations (20 mHz to 2.0 gHz) and radio cruising in the VHF and UHF bands (20 mHz to 1.0 gHz). They form urban networks controlled from the fixed stations of Group "B.1," located in Guadalajara, Mexico City, Monterrey, and Tijuana.

Group "C.2." Remote stations are only for radio monitoring in the VHF and UHF bands (20 mHz to 2.0 gHz). They are located in Aguascalientes, Campeche, Ciudad Victoria, Colima, Cuernavaca, Culiacan, Cancun, Chilpancingo, Durango, Jalapa, La Paz, Mexicali, Nuevo Laredo, Pachuca, Queretaro, Saltillo, Tepic, Tlaxcala, Tuxtla Gutierrez, and Zacatecas.

**Mobile Units**

This type of mobile unit will work as a fixed station in places where, because of topography, the propagation of electromagnetic waves, the curvature of the earth, and other factors, it is impossible to detect broadcasts from a fixed place. They will be distributed throughout the republic of Mexico. They will mainly monitor in the bands from LF to UHF (10 kHz to 2.0 gHz) and cruise with interferometry (1 mHz to 1.0 gHz), including television broadcasts.

Finally, the document mentions that the telecomputer network is essential to complete the radio monitoring network and to establish a compatible network throughout the country, as well as the primary countries with which Mexico has relations.

To this end, in August 1993, the installation of 32 satellite stations, Very Small Aperture Terminal type, was completed; 62 computer systems were installed with the appropriate software [previous word in English] and collateral equipment; and Mexican engineers were trained in the management and optimal use of this equimpment.

The network was designed to work in coordination with other modern devices to be able to efficiently broadcast the information from directional beacons, multiplexers, modems, and leading radio technology equipment.

The computer's central node is in the metropolitan area; it uses fiber optic and satellite communication, ensuring quick and reliable broadcasts to the SCT centers and central offices.

## Chiapas Governor Proposes Reconciliation Commission

*PA0205192494 Mexico City LA JORNADA in Spanish 27 Apr 94 pp 12, 56*

[Report by Jose Antonio Roman]

[Text] Ocosingo, Chiapas State, 26 Apr —In an urgent appeal, Chiapas Governor Javier Lopez Moreno asked Manuel Camacho Solis, commissioner for peace and reconciliation in Chiapas; Bishop Samuel Ruiz; national and state human rights commissions; the EZLN [Zapatist National Liberation Army]; the ARIC [Rural Association of Community Interest); and even those displaced by the armed conflict to establish, together with the state government, the Agrarian Reform Secretariat, and other appropriate authorities and organizations, a commission for community reconciliation in the strifetorn area.

In a new visit to the municipality that was the site of the 1 January armed conflict, the governor met with ARIC-Union of Unions [Union de Uniones] representatives and ranchers. He promised the ARIC that he will try to obtain the release of four Indians who have been in prison since May of last year in El Carmen Patate Ejido on charges of killing two soldiers. In addition, the official assured the cattlemen that he will enforce orders for the arrest of those who have occupied lands after 15 April and do his best to resolve the squatting problem.

During a brief stay in this town, the governor assessed the reconstruction projects here and met at this city's Lions Club office with over 20 organizations and groups, including 16 alleged Zapatists recently released from the Cerro Hueco Prison. After having their photograph taken with the governor, the latter demanded compensation for the moral and economic hardship they suffered while being incarcerated for over three months without any charges having been made against them. The state governor agreed to grant them a loan to help them in a farming program, and that is why they went to Tuxtla Gutierrez today.

In a radio message broadcast to all residents from the XEOCH radio station in this town, where the constant movement of vehicles and military troops can still be seen in the streets, the governor indicated that if the commission for community reconciliation in the strifetorn zone is created, it could become the forum for reaching agreements on minimal rules to allow reconciliation and avoid further confrontation. Lopez Moreno added that in this region it is particularly necessary to ensure that there will be no more evictions, invasions, attacks, or threats on individuals or homes, personal property, or the real estate of those living there. "We need to guarantee the free flow of people and products, mostly consumer goods and staple products and medicines," the governor said in his message, which was broadcast all day long in Tzeltal.

In this new recent visit to one of the towns that was the site of January's armed conflict, Lopez Moreno asked the sides that have been summoned to respond positively to his appeal to further efforts toward seeking a dignified, just, and lasting peace and to make genuine social solidarity stronger. The governor said the commission's goal is to set up forums for consensus among all the parties in the most convenient places. "We will examine the people's problems and together we will decide what must be done. Let us put our agreement in writing and abide by it."

From the radio station's small booth, surrounded by announcers, photographers, and cameramen who covered his brief working visit to the capital city of this municipality, Lopez Moreno warned that without respect it will not be possible to go anywhere unless we are prepared to let violence flare up again. "We must act with haste. If we let more time go by, later will be too late. Let us prevent a war among brothers. Let us make a new contribution to the general peace effort in the state. The commission I propose will allow us to prepare for the signing of the peace agreement so all will go smoothly and so it will take affect immediately."

He then added that Chiapas residents want peace. "We want local residents to return to their jobs; to work the land; to get rid of their fear and anxiety; to travel about without fear; to be at peace in their homes; to enjoy life and the things they own; to trade and to study; in sum, we want a return to normalcy. We must resolve the problems down there based on an awareness of the new situation."

The governor also mentioned last night's meeting, when the Executive Commission for Agrarian Affairs was created. "For the sake of peace and for the first time in our history, social leaders, cattlemen, bankers, and peasants met with the government last night to find together solutions to our problems, fully aware that either we are all saved or we are all lost."

In the meeting with ARIC-Union of Unions delegates, president Lazaro Hernandez Vasquez voiced the concern of the people of Ocosingo and Las Margaritas at the delay in signing the peace agreements. Several delegates told the governor of the agricultural backwardness from which peasant organizations and members of ARIC suffer. The delegates requested financial assistance to buy land and implement production programs. Santiago Lorenzo Jimenez, ARIC's commissioner for reconciliation, asked the governor to intervene to secure the release of Melchor Jimenez Lopez, Antonio Lopez Jimenez, Manuel Lara Ruiz, and Tiburcio Ruiz Lara, who have been held in the Cerro Hueco prison since May of last year when two military men died during an armed confrontation with "several unidentified individuals."

## Salinas Government Said Exhibiting 'Weakness'

*PA2904214894 Paris AFP in Spanish 1117 GMT 26 Apr 94*

[By Noel Lorthiois]

[Text] Mexico City, Apr 26 (AFP)—President Carlos Salinas de Gortari's government is exhibiting weakness in its four remaining months in power to such an extent that it is systematically appointing "commissions" to solve problems that are normally handled by corresponding ministries.

The three most important problems that have arisen in the past four months in Mexico (the Chiapas insurrection, Luis Donaldo Colosio's murder, public security, and a chain of kidnapping cases) are being handled by special commissions directly appointed by the Presidency.

This trend, according to analysts, bolsters the lack of credibility by the corresponding offices, where corruption and bureaucracy usually prevail, as several high-ranking government officials have confessed. It also furthers the opposition's charges of centralism and authoritarianism against the president and his party, the Institutional Revolutionary Party (PRI), which has been in power for the past 65 years.

The latest commission, the "Coordination for the Nation's Public Security," was established yesterday, Monday. As an irony of destiny or headstrong interventionism, the announcement of its creation coincided with the announcement of a new kidnapping: that of Angel Lozada Moreno, son of the owner of the most important supermarket group, Gigante. This kidnapping occurred 40 days after the kidnapping of banker Alfredo Harp Helu, president of the group Ranamex-Accival.

The new organization, which is directed by Arsenio Farell, who until now had been labor secretary, must "coordinate" the public security-related activities of the secretariats of government, justice, the Army, and the Department of the Federal District (the capital), according to a communique from the Presidency.

The president had already appointed a special commission composed of "notable citizens" a few days ago. This commission was charged with continuing the investigations into the assassination of Luis Donaldo Colosio, the late PRI presidential candidate who was murdered on 23 March.

The creation of this commission took place following the appointment of Miguel Montes as "special deputy prosecutor" to oversee the investigations into the assassination. Montes is still working on this duty. His appointment, which was made five days after the assassination, caused surprise because the investigations should normally have been handled by the nation's attorney general, Diego Valadez. The Chamber of Deputies, where the PRI holds a broad majority, also decided that day to appoint a parliamentary investigatory commission, perhaps to avoid criticism of doing less than others.

Many shadows surround the investigations and the way they have been conducted while the authorities, the special deputy prosecutor, and the investigatory commissions maintain absolute silence.

The creation of special commissions began in January with the appointment of Manuel Camacho Solis as "special commissioner" to oversee the establishment of a dialogue with the Zapatist National Liberation Army, the guerrilla movement that emerged at the beginning of the year in Chiapas.

The matter could have been handled by the government secretary, but he, Patrocinio Gonzalez Garrido, who had been criticized due to his performance when he was Chiapas governor, had to be quickly replaced. According to institutional systems, the matter should have been handled by the current government secretary, Jorge Carpizo.

We could finally mention the National Commission for the Integral Development of the Indian People, which was created shortly after the Chiapas insurrection. Four months after the creation of this commission, Beatriz Paredes, who headed it, was appointed, on 18 April, deputy government secretary in charge of public development and no one replaced her at the head of the commission about whose future the authorities have said nothing.

## Deputies Comment on Riot Gear Purchase

*PA0205192894 Mexico City LA JORNADA in Spanish 29 Apr 94 p 16*

[Report by Ismael Romero, Victor Cardoso, Angelica Enciso, Oscar Camacho, Juan Manuel Venegas, and Triunfo Elizalde]

[Text]

### There Is no Guarantee for Clean Elections, They Noted

Leaders of the National Action Party (PAN), the Party of the Democratic Revolution (PRD), and representatives of human rights organizations have demanded that the federal government explain why it purchased riot gear and what its use will be because "this is an ominous act reflecting anxiety within the government and indicating its preparation to confront problems and social demonstrations in the country." They believe this decision suggests that the government will not be able to guarantee clean presidential elections because it is preparing to face postelection discontent.

Andres Rozental, deputy foreign relations secretary, denied that importing riot vehicles reflects fears of possible outbreaks of violence after the August elections. The official said the purchase of armored equipment is "a natural development in all world countries," adding that any claim it will serve to control postelection disturbances is "irresponsible." Rozental explained that importing 24 riot units was the responsibility of the National Defense Secretariat, which has been totally silent. The Media Directorate only stated "they do not know anything yet." He criticized the U.S. newspaper that reported this for doing so "without having any evidence," indicating that the purchase is indeed related to possible postelection disturbances.

Juan Jose Castillo Mota, deputy of the Institutional Revolutionary Party (PRI), justified the measure and said it was about time to enforce the law and equip security forces with the most modern technology. "The equipment is not to restrict freedom of expression, but we must start to enforce the law with groups of citizens who commit abuses during demonstrations, especially when they block highways, an action that sometimes involves 20 to 50 people. Thus, in these cases we must clear highways and enforce the law," Castillo added.

Last Thursday, the SAN ANTONIO EXPRESS NEWS published a front page report claiming that in the past two months the Mexican Government has imported at least 24 armored vehicles designed to control riots and that "this is apparently in preparation for civil disturbances after the late summer elections" in Mexico.

### Government Adopting Hard Line: PRD

During a tour of Los Angeles, PRD National President Cuauhtemoc Cardenas Solorzano said "the creation of the Mexican Public Security Coordinating Board (CSPN) and the appointment of Arsenio Farell to chair it shows that the government is adopting a hard line. The purchase of the riot equipment has the same purpose. "The government seeks to compensate for the evident weakness of its presidential candidate with these kind of measures."

Mario Saucedo, secretary general of the PRD CEN [National Executive Committee], said everything seems to indicate that this administration expects a citizen mobilization "because it is planning to impose its candidate." There is no doubt, he insisted, given the most recent measures, that "it will try to implement this action at all cost."

Ricardo Valero, coordinator of the PRD deputies, pointed out the most recent federal government decisions on security matters "are disturbing and extraordinarily dangerous." He added that a confirmation of the purchase of riot tanks in relation to the creation of the CSPN and the reappearance of figures such as Carlos Hank Gonzalez would "objectively" lead us to conclude that Salinas de Gortari has no intention of supporting a credible electoral process.

Adolfo Aguilar Zinser, spokesman for the Cardenas presidential campaign, pointed out that these developments "are clear signs of the entrenchment and hardening of the position of the state." He wondered: "If they will guarantee clean elections what do they want armored vehicles for?

PRD Legislator Julio Cesar Garcia underscored the repressive nature of a measure such as the one that was reported, because it jeopardizes the constitutional rights of freedom of expression and of conducting public demonstrations.

Garcia said the government is seeking ways to protect itself and apply a forceful hand on possible protests following the presidential elections of 21 August.

Gilberto Rincon Gallardo, also a PRD member, demanded "specific information" from the government regarding the alleged purchase of 24 riot units and an explanation of the purpose of the purchase because the conclusion one might reach at this point is that the goal is to impose a "hard-line policy" and a policy of "confrontation." He added: "I do not wish to make predictions or speculations, but we do hope this administration is not thinking about using them to counter political demonstrations" because this possibility, which is undemocratic, reflects a false concept of national security."

**PAN: Lightning That Presages a Storm**

Felipe Calderon, secretary general of the PAN's CEN, pointed out that "this kind of purchase is disturbing because it suggests that the government is preparing to confront future political problems." He added that resorting to this kind of equipment "as an element of repression" is no way to confront the causes of the violence that is provoked in the country. Actually, he said, a culture of political responsibility must be promoted instead of the modernization of the apparatus of repression.

PAN Federal Deputy Jose Paoli said that should the federal government not explain the purchase of riot vehicles, this will be demanded within the Chamber of Deputies. PAN Legislator Manuel Rivera del Campo pointed out that, although the authorities refuse to admit it, importing riot vehicles shows that "it is clear that things are not going as well in the country as they wish to make us believe because there are many problems that the government has not solved. "It is not correct to confront citizen protests or demonstrations through forceful means because they will create more problems than those that they are trying to solve," he added. Rivera noted that "the government is expecting an ungovernable situation after the elections and adopted this measure as a precaution against a conflict in order to be able to subdue the demonstrators." He warned: "This is lightning that presages a storm."

**Forceful Actions and Violence: ONG [Nongovernmental Organizations]**

The national network of civilian human rights organizations also gave its opinion on the 24 riot units that the Mexican Government purchased in the United States. It stated that "if there were political will, there would be no need for tanks to face riots." "The purchase of this equipment suggests that there will be no clean presidential elections," it added.

Mariclaire Acosta, of the Mexican Defense and Protection of Human Rights Commission [Comision Mexicana de Defensa y Proteccion de los Derechos Humanos], said: "We must realize that the government is determined to face a major postelection conflict." She underscored that these problems will be similar to those faced in France, where political disorders are settled through forceful and violent means.

Emilio Krieger, president of the National Association of Democratic Lawyers (ANAD), pointed out that "this is a serious" measure and that "one could presume that the government is purchasing weapons in preparation for the elections." I would like to know, he added, whether the purchase of these tanks is related to the electoral process; this must be explained not by the National Defense Secretariat or the Government Secretariat, but by the president of the republic.

The Roads and Safety Secretariat said the weapons it plans to purchase seek to modernize the sector. It reported that the pistols it will purchase will reportedly hold 18 rounds and added that it is currently negotiating with a Swedish company called Sixsahuer.

[Mexico City LA JORNADA in Spanish on 29 April on page 53 publishes a 150-word article stating that: "Enrique Jackson, secretary general of the Federal District government, and Humberto Benitez Trevino, attorney general of the Federal District, said they know nothing about the purchase of riot equipment."]

## El Salvador

### Cristiani on Approval of Constitutional Reforms

*PA0305123494 San Salvador Radio Cadena YSU in Spanish 1700 GMT 1 May 94*

[Report by Angel Iraheta on news conference by President Alfredo Cristiani with domestic reporters on 1 May; place not given—recorded]

[Text] Following the inauguration ceremony for new Mayor of San Salvador Mario Valiente, of the Nationalist Republican Alliance, President Cristiani held a news conference to state how positive he finds the constitutional reforms approved on 29 April by the outgoing Legislative Assembly. This is what President Cristiani had to say:

[Begin recording] [Cristiani] I have not had a chance to examine each of the reforms as they were approved on 29 April. I understand, however, they acted on basically the same issues they had been discussing. I believe they address the audits carried out by the Court of Accounts [Corte de Cuentas], certain privileges, state monopolies, and, of course, several issues concerning the judicial branch. Generally speaking, and again without knowing what exactly was changed, I believe the changes are positive.

Concerning the workers' request, it concerns only state workers, whom the Constitution withholds the right to declare strikes. This situation is not unique to El Salvador alone. I believe many countries withhold this prerogative, which is common to employees of the private sector, due to the nature of the tasks assigned to public employees, whose job is to serve the nation. Should public employees declare a strike, it would deprive people of the service to which they are entitled. We already saw what happened when public employees went on strike: The Rosales Hospital was shut down and caused much distress among the people.

In another turn of events, treasury funds are not for the benefit of one individual in particular; they belong to the people, and they must return to the people. Many of the things common to the private sector [four-second break in reception] such a decision attempts against the resources of a specific enterprise. It is not Salvadorans' money. There must be a balance. In short, I believe this constitutional article must be left untouched for now.

Concerning the Fuertes Caminos exercise, arrangements are under way. U.S. engineers, along with our engineers, will continue to do the same type of works they did during the first phase. This second phase is larger, however, because more works will be done. We hope many of the communities that were chosen to have health centers, schools, and other infrastructure works, such as wells, built there will benefit from these works.

[Reporter Mario Jovel] Good morning, Mr. President. The U.S. observers who came here during the elections on 29 April asked the U.S. Congress to unfreeze economic aid to ensure that peace agreements will be complied with. My question is how much aid does the country need to comply with the remaining peace agreements?

[Cristiani] In general terms, AID has supported such programs to rejoin public life, such as the land distribution plan and other plans to train mini- and small-scale businessmen. The land distribution program lacks financing, however, that is, it lacks the necessary resources in order to be carried out.

On the other hand, perhaps most of the aid to the PNC, especially the National Public Security Academy, is not in cash but, rather, in the form of advisers, trainers, vehicles yet to be delivered, and others. We need to continue this program, but I cannot estimate the exact amount we need, but the land distribution program requires large sums of money. The lack of funds for this program pertains to the 100 million colones. It is obvious that if the resources needed do not come from abroad, we will have to find a way to provide them domestically.

[Reporter Ruben Dominguez] Mr. President, today we mark May Day. Could you please send a message to all Salvadoran workers?

[Cristiani] The Salvadoran people are known as hard-working people, and we observe International Labor Day today. We send our most cordial salute to all Salvadoran workers who are enjoying, along with their families, some type of recreation, perhaps in the countryside, because today is Sunday. We hope this is the right time to regain strength to continue to work for El Salvador. [end recording]

### Calderon Vows To Investigate Corruption Charges

*PA0205183294 San Salvador Canal Doce Television in Spanish 0300 GMT 29 Apr 94*

[From the "Up-to-Date" newscast]

[Text] President-elect Dr. Armando Calderon Sol has pledged to fully investigate all complaints of corruption against any of his cabinet ministers. During an interview for the "Up-to-Date" newscast, the ARENA [Nationalist Republican Alliance] leader expressed his resolve to place in court custody all individuals found guilty of corruption.

Dr. Calderon Sol has only one goal regarding this issue: to combat institutionalized corruption regardless of its cost to the government. According to the president-elect, he cannot betray the people who supported him during the past elections. Therefore, he says, he will get to the bottom of all complaints of corruption.

[Begin Calderon Sol recording] If there are even rumors against any official, we will conduct a full investigation and place that person in court custody for investigation. [end recording]

Corruption, says the future president, will be fought at all levels, but especially in those areas involving goods, services, and public bids. Calderon Sol also intends to put an end to government official's involvement in organized crime.

[Begin Calderon Sol recording] If any administration officials are thus involved, regardless of who they may be, we will apply the law and break this circle of organized crime. [end recording]

Calderon Sol, who will take office in June, warned that during his term he will manage public funds carefully and strengthen the development of the National Civilian Police, which emerged from the peace agreements.

### ARENA Deputies Pledge To Eliminate Secret Funds

*PA0205205094 San Salvador Radio Networks in Spanish 1648 GMT 1 May 94*

[News conference by Gloria Salguero Gross and Carmen Elena Calderon de Escalon, deputies of the Nationalist Republican Alliance, with unidentified reporters in San Salvador—live]

[Excerpt] [Salguero Gross] Members of the Nationalist Republican Alliance [ARENA], thank you for coming. We called this news conference to discuss a piece of correspondence presented by ARENA on 29 April concerning the Assembly's handling of a secret allotment that is currently in existence. As a faction we have decided that this allotment should be converted into an audited fund to prove that our party intends to make the next five years of government crystal clear and honest in the eyes of the Salvadoran people. We are very pleased to make this announcement. The secret allotment will be turned into an audited fund so that it can be disclosed to the public. This is the situation regarding secret expenses.

As for the presidential tax exemptions, we are going to eliminate them. There will be no presidential tax exemptions so the people can see what ARENA's intentions are. We will also eliminate the Supreme Court of Justice's tax exemptions because we believe that will also be a positive step.

I would like my colleague Dona Carmen Elena Calderon de Escalon to explain the changes in tax exemptions granted to deputies.

[Station announcer] Deputy Carmen Elena Calderon de Escalon will discuss the tax exemptions.

[Calderon de Escalon] ARENA as a party wants to ensure greater honesty and austerity; we believe that in the past the tax exemptions granted to deputies gave them access to a considerable amount of money, and on Friday we proposed to the plenum that deputies be authorized to purchase only one vehicle tax-free during the term of the principal deputy, without establishing any price limits to ensure that the tax exemption will never be used for any other purpose. This, I believe, will help the Salvadoran people understand that the politicians of this country are working on a daily basis to improve their image, which is what all the members of this new assembly want. I am certain they will approve this piece of correspondence.

I wanted to say this because Friday was a very important day; constitutional reforms were also approved that day. Additionally, ARENA also believes that the Supreme Court's secret fund is no longer justified because the Constitution establishes that the Supreme Court receive the resources it requires. In other words, all monies must be confirmed by the Accounts Court [corte de cuentas]. I believe this will contribute to the honest management of funds throughout the entire country. Thank you. [passage omitted]

## Guatemala

### Church Official Views Civilian Society Assembly

*PA2804191894 Guatemala City CRONICA in Spanish 22-28 Apr pp 20, 23*

[Interview with Monsignor Rodolfo Quezada by Haroldo Shetemul; date and place not given; first paragraph is introduction]

[Text] Following a brief period of calm, Monsignor Rodolfo Quezada's life has returned to its hectic pace. As a result of the agreements between the government and the URNG [Guatemalan National Revolutionary Unity], the Civilian Society Assembly [Asamblea de la Sociedad Civil] was created. UN Moderator Jean Arnault has asked the Guatemalan Bishops Conference to head the coordination of this body, which must discuss and propose positions of consensus to the sides that are holding the talks abroad.

[Shetemul] Why has the Bishops Conference decided to name you president of the Civilian Society Assembly?

[Quezada] The conference had always said it wanted to assist in the peace process, and the bishops have noticed the sides showed a political commitment when they signed the Overall Agreement on Human Rights and Immediate International Verification [Acuerdo Global de Derechos Humanos y la Verificacion Internacional Immediata] and agreed to establish a timetable for the process. Another reason was the assembly will be convened at the request of the United Nations and the sides, unlike the Permanent Forum for Peace, a unilateral proposal by the government. Pope John Paul II had asked us to help in the reconciliation.

[Shetemul] What will be the assembly's purpose?

[Quezada] To convene and gather all nongovernment civilian, political, religious, business, mass, and Mayan sectors. We will discuss the substantial topic of the Mexico agreements to reach a consensus and expedite the end of the confrontation.

[Shetemul] Wouldn't the diversity of interests involved pose an obstacle to a consensus?

[Quezada] It is certainly something which is very difficult and complex. The easiest thing would be not to participate, but I believe taking the risk is worth it. For that reason, the conference has set its conditions to make the assembly effective. One of them is that we will not discuss circumstantial topics, only substantial ones. We will hold the assembly if most sectors participate, and it will last five months. We will avoid the distortion of topics and seek a consensus, but if we do not find it, we can present qualified majority opinions; besides, minorities' opinions will always be present.

[Shetemul] What role will you play in the assembly?

[Quezada] The assembly president's responsibilities are to moderate the meetings and create the mechanisms to make everybody's participation effective, all within a democratic atmosphere. The president must try to have a group coordinator in every sector to assist him. In the end, when a consensus or opinions are agreed on, he must take them to Mexico for submission to the government and the URNG. Upon returning to the country, he has to report to the assembly the results of the agreements made in Mexico.

[Shetemul] What are the topics to be discussed?

[Quezada] The resettlement of those uprooted by the armed confrontation, the rights and identification of ethnic groups, the prevalence of civilian authority, and the Army's role in a democratic society, socioeconomic aspects, farming issues, constitutional amendments, and the Law on Electoral and Political Parties.

[Shetemul] Those are the same topics up for discussion in Mexico. What decisive role will the assembly play on the peace accord?

[Quezada] If the social sectors do not participate, the government and the URNG will make the decisions, regardless of what we, as civilian society, think, meaning we are going to delegate the decisions to eight or 10 people. If we participate and reach a consensus, our opinions will carry a very strong moral weight at the negotiations table.

[Shetemul] The Coordinating Committee for Agriculture, Commercial, Financial, and Industrial Associations (Cacif) was opposed to joining the national dialogue in the past. What would happen if it does not participate?

[Quezada] When Cacif states whether it will participate, the assembly, not the person presiding over it, will have to decide how to move forward. I personally trust the business sector will understand the need to participate.

[Shetemul] Considering there are many similar organizations, what criteria will be employed regarding the sectors' representation?

[Quezada] We are talking of legality, representation, and legitimacy. Many institutions do not have legal status, while others have difficulty proving their legitimacy. In sum, the main condition is that they not be outside the law.

[Shetemul] What about the groups that lack legal status, such as the Peasants Unity Committee (CUC)?

[Quezada] I have not analyzed it specifically, but during the national dialogue such organizations as the CUC participated under the umbrella of the Labor and Popular Action Union (UASP).

[Shetemul] Why has the Bishops Conference deemed the government's peace plan unviable, and now that it is working, why has it decided to join the negotiation process?

[Quezada] We bishops have always thought the break in negotiations was due to the parties' lack of political resolve, not to the arrangement of the negotiations. This is why the Bishops Conference has decided to withdraw from the process, refusing to participate in the Permanent Forum for Peace, because it was unviable and too broad. In addition, the government unilaterally conceived the 4 October 1993 peace plan. We could not accept it. We had to stay away from the conflicting parties. There is an agreement between the two parties, and it has been specified what the assembly must do. We bishops will cooperate in the process, because it is an evangelical mandate.

[Shetemul] The government did not want you to continue in the peace process last year. Do you think it has changed its mind?

[Quezada] I know that at least Ramiro de Leon Carpio is glad I have accepted the presidency of the assembly.

[Shetemul] Alfonso Cabrera and Rigoberta Menchu will submit alternate peace plans separately. Will their proposal be viable, or are they trying to assume starring roles?

[Quezada] I have not talked with Alfonso lately, but I talked with Rigoberta. I understand she will participate in the ecumenical meeting that will take place next week. She will propose a plan, but I do not know what it is.

[Shetemul] Menchu is skeptical of a possible signing of a definite peace agreement by the end of the year.

[Quezada] I respect her opinion. There is a calendar, however. Should the Civilian Society Assembly be successful, should there be political resolve by the parties to reach an agreement, and should the international community support us, I truly believe peace will be possible by the end of the year. This process is irreversible, but we must think if we want a peace on paper or a sound peace to prevent the emergence of other guerrillas.

[Shetemul] Could it be the advancements made are due to international pressure and not to parties' political resolve?

[Quezada] I cannot give an opinion from the outside, but it is obvious the international community has indeed helped expedite the process.

[Shetemul] The public sectors are saying militarization of the police is a setback for society. Does this situation affect the negotiation process?

[Quezada] I am not in the position to say so. I want to steer the vessel toward national consensus. I do not want to waste time on secondary issues that could tangle up an already complicated negotiation.

[Shetemul] Could your attitude be interpreted as ignoring reality?

[Quezada] I have been commissioned to reach consensus on five issues. In this case, the country's governability is an issue I refuse to discuss, regardless of how important and significant it is.

[Shetemul] Is the political system ready for a postwar period?

[Quezada] This is an issue the government and the guerrillas will have to address when they discuss the grounds for the URNG to join the country's political arena, but that is another bowl of fish.

[Shetemul] When will the assembly begin work?

[Quezada] I want the group of sectors to be ready by next week at any rate. This group will address the issue of creating settlements for the uprooted civilian population. We do not want to be late for the May meeting in Mexico.

[Shetemul] What will be the financial source of your new task?

[Quezada] We already have the necessary infrastructure. I do not want governmental funds. Money will come from friendly countries.

[Shetemul] Media reports indicate the guerrilla commanders could attend the next ecumenical meeting. Is that true?

[Quezada] No, but I do not dismiss the possibility the guerrilla leadership may send a communique. The U.S. Lutheran, Catholic, and Evangelical Churches are organizing that meeting. We want the people to give their opinions.

[Shetemul] Do you still criticize the secrecy of the peace process?

[Quezada] Yes. Secrecy is one of the main problems plaguing the peace process, because it prevents the media from being well informed to prevent speculations. In short, the parties have decided to maintain this secrecy, and I only hope the process will continue.

## Death Penalty Approved in Child Abduction Cases

*PA2904232994 Guatemala City PRENSA LIBRE in Spanish 27 Apr 94 p 3*

[Text] The National Congress yesterday approved a law that will impose the death penalty in cases in which defendants are convicted of kidnapping children under the age of 12 or elderly people over the age of 70. The measure is included among the law enforcement amendments requested by the executive branch. The law is contained in Decree 38-94, which amends Article 201 of the Penal Code (Decree 17-73).

After President Ramiro de Leon Carpio submitted a request asking for the death penalty, the Legislative and Constitutional Issues Committee made some changes and overturned a ruling by the Government Committee, which requested penalties of only 25-30 years in prison.

Article 201 of the Penal Code now reads as follows: The abducting or kidnapping of a person to collect ransom or payment, or to exchange the abductee for a third party, as well as the committing of other related or similar illicit and money-making activities shall be punished with a 25-year prison term. The death penalty shall be imposed in the following cases: A) should the abductee be under the age of 12 or over the age of 70; B) should the abductee die, sustain serious or grave injuries, or suffer permanent physical or psychological trauma as a result of the kidnapping.

Should the criminal repent at any stage of the process or provide leads to solve the kidnapping or abduction case satisfactorily, the corresponding sentence could be mitigated.

## Country To Be Used for Repatriation of Taiwanese

*PA3004234294 Panama City ACAN in Spanish 2356 GMT 29 Apr 94*

[Text] Guatemala City, 29 Apr (ACAN-EFE)—Official sources reported today that Guatemala has agreed to lend its territory for the repatriation of Taiwan immigrants in response to a request from the International Migration Organization [Organizacion Internacional para las Migraciones, OIM].

Foreign Minister Maritza Ruiz Vielmann has said that, based on a request from the United States and Taiwan, the government agreed to do this "as a demonstration of cooperation with the OIM," but cautioned that "this decision must not be understood as setting a precedent." Vielmann told the media: "The cooperation being extended now does not constitute a manifestation of a policy in this regard."

Guatemala will permit the ship Jinn Yinn I to dock at a Guatemalan port. The passengers, who have been traveling in very crowded conditions, comprise 102 Chinese

[as received] who were intercepted without legal documents in waters off California by U.S. Coast Guard units.

According to Vielmann, President Ramiro De Leon ordered the Foreign Relations, Government, and Defense Ministries to form a commission to coordinate details for the debarkation and "immediate deportation" of the travelers.

## Nicaragua

### Lacayo To Promote Economic Stability Agreement

*PA0205182794 Managua Canal Cuatro Television in Spanish 0400 GMT 29 Apr 94*

[Report by Miguel Mora; from the "Extravision" newscast]

[Text] Presidency Minister Antonio Lacayo said a national council will be created in search of a national agreement with the help of all sectors of the country. Lacayo said he got the idea from Ramiro Gurdian, president of the Cosep [Higher Council of Private Enterprise], but the important thing is to seek economic stability for at least the next five years.

The search for a national agreement could start in approximately two months, according to Presidency Minister Lacayo, who said he will ask all forces in the country to fill out a questionnaire to decide on the number and names of members of the national council, which will be holding periodic sessions in search of a national agreement.

[Begin Lacayo recording] We have been talking about that with Engineer Gurdian and with the National Planning Council. We talked about it on the first floor of the Presidency on 24 March. The government made the proposal to form a national economic and social planning council to draft a development plan for at least the next five years. Once we have a plan for 1995, 1996, 1997, 1998, and 1999, the next government will be forced to continue with that plan. We would be talking about cattle, tourism, coffee, nontraditional products, industry, commerce, and municipal development, as well as water, electricity, and telephone service. We are currently sending to the groups that participated in the 24 March meeting a questionnaire to have them answer how they think this national council should be formed, how many people should participate, who should participate, how often it should meet, and so on. The purpose of this effort is to see whether we can hold the first session in the next two months. [end recording]

Although there is overall acceptance of this initiative, there is marked skepticism.

[Begin recording] [Engineer Alfredo Cesar, former National Assembly president] I believe it is a positive initiative, however, I am not so sure whether it is feasible because we have opposite viewpoints.

[National Coffee Commission President David Robleto] This is difficult. You know that every government and every political party makes different promises when election time comes. It will be difficult for a basic agreement of principles on the development of this country to be adopted by a party. [end recording]

The first agreement to be reached will be economic in nature and will not violate the Constitution, according to Cosep President Ramiro Gurdian.

[Begin Gurdian recording] An economic agreement is possible. We are very excited about that. We have to start working so that we can come up with the rules of the game for the next five years. [end recording]

With the creation of a national council, we will be opening a new forum of political debates with which we are going to be able to promote economic development based on a national agreement that will be in effect for at least five years.

## Panama

### Man Arrested for Pulling Gun Near Perez Balladares

*PA0305011394 Panama City Telemetro Television Network in Spanish 2300 GMT 2 May 94*

[From the "Telemetro Reports" newscast]

[Text] [Announcer] The authorities have arrested an armed man who was near Ernesto Perez Balladares, presidential candidate for the Democratic Revolutionary Party [PRD]. The man claimed that he was going to be robbed. Here is a report:

[Reporter] As Perez Balladares was walking down from stage No. 1 on Balboa Avenue, his security forces subdued a man who pulled a gun. Electoral officials were called and, following consultations, the Police arrested the unidentified man.

[Begin PRD leader Francisco Sanchez recording] A man who was standing about 2 meters from our candidate, Dr. Ernesto Perez Balladares, pulled out a gun. Thank God our security forces did a good job and arrested him. We will file charges. The electoral delegates took this man to their headquarters to investigate the incident. We regret this incident and urge all citizens and our opponents to avoid actions of this sort, because they will bring no good to Panama. [end recording]

### Man Identified as Maritime Service Policeman

*PA0305034794 Panama City ACAN in Spanish 0238 GMT 3 May 94*

[Text] Panama City, 2 May (ACAN-EFE)—The Democratic Revolutionary Party [PRD] reported today, Monday, that a policeman tried to shoot presidential

candidate Ernesto Perez Balladares with a pistol. The man, who is in custody, said he drew the gun to fend off an assault.

The PRD, an opposition party, issued a communique describing the incident as "a foiled attempt" on Perez Balladares, whom opinion polls show as the favorite in next Sunday's general elections.

Electoral Tribunal Magistrate Dennis Allen, however, said the policeman, whom the PRD identified as Maritime Service Corporal Juan Bautista Zapata, said after being detained that he was just trying to repel an attacker who assaulted him while he was attending the PRD rally in downtown Panama City. Bautista Zapata was wearing civilian clothes at the time of the incident.

### Endara Transfers Public Force to Electoral Tribunal

*PA0205170494 Panama City Circuito RPC Radio in Spanish 1517 GMT 2 May 94*

[Speech by President Guillermo Endara during a ceremony transferring command of the Public Force to the Electoral Tribunal from the National Theater in Panama City—live]

[Text] Mr. Vice President of the Republic; state ministers; comptroller; attorney general; honorable magistrates of the Electoral Tribunal; honorable magistrates of the Supreme Court; vice ministers; directors and subdirectors of autonomous and semiautonomous institutions; governors; mayor; members of the diplomatic corps; directors and subdirectors of the Public Force; members of the Justice and Peace Commission; electoral delegates; representatives of the political parties; national and foreign media representatives; ladies and gentlemen:

As a Panamanian I have always loved my fatherland with the firm feeling my parents instilled in me since I was a child. Later, as an adult, this feeling was nourished by the teachings of my tutor, Arnulfo Arias Madrid. Also, there is no situation that intensifies patriotism more than being exiled, finding oneself forced to be far from one's homeland. I have experienced this situation twice, the first when I was seven years old.

I have always been convinced as an attorney of the irreplaceable value of the existence of the state of law as a foundation for stability and social development. I have defended throughout my life as a politician the moral principle that sovereignty resides with the people; consequently, it is only the people's will, which is a manifestation of divine will, from which the authorities' origin and reason for being stem.

As constitutional president of the Republic, I have always wanted the best for my fellow countrymen. Despite the limitations, we have achieved an impressive material and institutional growth over a short period, while it was estimated in 1989 we would need at least a 10-year period to achieve what we have. Above all, as president I have considered as my primary duty ensuring that all citizens have the right to vote freely. These considerations on the whole serve to explain the significance of this act.

This is not a mere symbolic event. For the first time in our republican history the president of the Republic, by virtue of his powers, cedes to the Electoral Tribunal the command of the Public Force, thus complying with the guidelines established for the electoral process. This healthy measure was proposed by the executive branch and adopted by the Legislative Assembly, and it has been incorporated into the current Electoral Code. It is for the purpose of guaranteeing Panamanian voters pure elections, free from any shadow of undue influence.

Gentlemen, directors, officers, and Public Force members, as supreme chief of the Panamanian Public Force and abiding by existing laws, I hereby notify you that as of this moment and until the proclamation of the president-elect of the Republic, you are under the command of the Electoral Tribunal for all purposes that will guarantee the freedom, honesty, and integrity of the 8 May elections.

Honorable magistrates of the Electoral Tribunal, please receive command of the Panamanian Public Force for the above mentioned purposes, and with it you receive the guarantee you have full authority and full responsibility. In addition, receive the assurances the men and women under your command as of today will know how to fully comply with the historic tasks you are assuming.

I want to give one final message to my fellow countrymen. I said five years ago the world is watching us. I quoted that from the Communal Action anthem. Today, that is as true as before.

Our fatherland needs for the culmination of the electoral campaign on election day and the subsequent vote count to develop in an atmosphere of peace, order, and harmony.

The people's inherent enthusiasm can take place within a framework of civic spirit and respect for each other and the authorities. Nothing could contribute more to improve Panama's image before the international community than the massive and orderly turnout of citizens to a democratic, clean, and peaceful process.

May God enlighten us in the upcoming days with the brilliant light of His eternal wisdom so that everything will be for the fatherland's well-being and progress. Thank you. [applause]

### Views 2 May Electoral Tribunal Procedures

*PA2904180094 Panama City Radio Network in Spanish 1517 GMT 29 Apr 94*

[Editorial report] Panama City Radio Network in Spanish at 1517 GMT on 29 April broadcasts a live relay of a news conference held by President Guillermo

Endara with domestic reporters in Panama City. The news conference was convened to announce an increase in long-distance telephone rates in Panama effective 1 May.

The director of the telephone company (INTEL), in opening the news conference, outlines the rate increase.

At 1525 GMT, the microphone is ceded to Endara who, commenting on several journalists' recent requests for interviews, says: "I told them that I would not agree to interviews, particularly in view of the large number of international journalists interested in seeing me. I told them I am not the star of this election process and that therefore they should not regard me as such in their coverage of it. On election day I will be just another voter.

"I intend to make a public statement. In fact, I am making one now, which I have been preparing for a long time.

"A very important event will take place on 2 May. For the first time in the history of Panama's popular elections, the Executive will vest its authority in the Electoral Tribunal. This concept was tested, so to speak, during the referendum, and it worked fine. This is provided for in the law and has been so ordered by the Executive. This has been approved by the Assembly and will be enforced. We hope all future governments will do the same.

"So I will make statements on 2 May. I will talk to you people on election day wherever I happen to be, and respond to any questions. The 8 May elections will be very special.

"Some of you might wonder if we are doing this because the elections will be held in a few days. No, gentlemen. In my speech at the National Theater, where we pledged to hold pure and honest elections, I said that although I would not be the star of the election process, I would continue to work in the government as usual, that I would suspend nothing, that I would continue to work as usual until 1 September. I said that the fact that elections were going to be held did not entail suspending our work and being idle. I will keep working because I have pledged to work for the people until 1 September. So this measure is not the result of a political decision, but the result of a work done by INTEL for over two years."

At 1529 GMT, Endara goes on to discuss the decision to sell various government assets in the Colon Free Zone, the need to develop all assets of the Panamanian people to ensure development, and his intention to return to private practice as a lawyer after his presidential term ends.

The 29-minute news conference ends at 1546 GMT, at which point the relay ends.

## Presidential Candidates' Statements at Debate

### PRD's Perez Balladares Appeals to Voters

*PA0305044894 Panama City Television Networks in Spanish 0100 GMT 3 May 94*

[Statement by Panamanian presidential candidate Ernesto Perez Balladares of the Revolutionary Democratic Party (PRD) during the final presidential "debate" sponsored by the Latin American Institute of Advanced Study and the Media Presidential Debate Committee; place and date not given—recorded]

[Text] My fellow countrymen, the presidential campaign is nearly over. To me, this has not been simply a three-month-long campaign but, rather, a campaign of many years that included frequent journeys throughout the country. It began by sharing the country's problems; later, by examining its most pressing needs; and now, by presenting government proposals that originate from an unwavering, firm, and sincere premise that there will be no hatred, no settling of scores, no retaliation, and no persecution. I am committed to conducting an all-out and unwavering war against unemployment, because, to me, economic growth means nothing if, at the same time, the population is not able to satisfy its most basic needs. What use is there in honoring international commitments if there are thousands of Panamanians who at one time enjoyed potable water but today are deprived of it, or only have access to it during the early morning hours?

It is impossible for me to agree that everything has improved in Panama simply because a number of skyscrapers have been built, especially if at the same time there is an increase in the number of homeless children begging for money at every streetlight, dropping out of schools, or getting involved in crime. I am unmoved by figures that only reflect the opulence of the few, when the majority of people are blocked from any advancement.

We have prepared an integrated, coherent, and ambitious program. Moreover, not one sector of the population has been left out. The program includes a respectable retirement for those who have already fulfilled their share of sacrifice and service. It also includes hope for members of the younger generation who are about to enter the workforce, for those who live in turbulent and chaotic urban centers, and for those who prefer to live in the countryside. This program is intended to once again return the nation to all of us, without exclusion, retaliation, and discrimination, allowing the best and brightest find a place in government service without first having to pass through the appalling bureaucratic quota screening and political party distribution system.

I feel very sad when a youngster has to drop out of school to help his mother support his younger brothers. I would prefer that this did not happen. Also, I do not want to see parents sacrificing everything—recreation, enjoyment, and, in many instances, food itself—just to be able to send their children to school, knowing beforehand that when they graduate they will not find a job.

I feel very sad when I read that Panama has become a country with ever-increasing violent crime, or that, as a nation, we are being linked to corruption. This situation cannot be resolved by merely strengthening the police, because the problem does not lie there. Panamanians turn to crime because they have lost all hope of finding a good job, or because corruption pays better than honest work. I am a firm believer in punishing criminals, but I am also a believer in their rehabilitation. Nevertheless, I believe in combating crime by combating the roots of crime. Therefore, we must treat those youngsters on drugs, while drug traffickers and money launderers must be punished without flinching. At the same time, we must prevent Panamanian households from disintegrating and prevent others from following the same course.

I am also seeking to have all Panamanians once again feel proud of having the country represented in a dignified manner in all international forums. We have been the object of ridicule for too many years, as if in Panama we fall short of being reputable. My wife and I would like to lift the Presidency of the Republic to a place of responsibility and reliability—a place the country demands and deserves. We would like to see all Panamanians measured by the maturity of our society and not by our politicians' whims.

My fellow countrymen, in countering my proposals my adversaries have spared no slander or insults. As part of that mudslinging campaign, they have not even left my wife, daughters, or my elderly parents unscathed. Nevertheless, I said it at the beginning of the campaign, and I can again say it proudly at the end: Not one single insult against any candidate will be heard from me. Consistent with this conduct, you can be sure that my family and I have forgiven our detractors. We have turned away from that black cloud of politics, and we are preparing to build a better future for all Panamanians.

The past—the distant as well as the recent past—must stay behind us forever. There is no possibility whatsoever of returning to militarism. On this, I have given my word, and all of those who accompanied me during the campaign are committed to this. Most of all, those who will accompany me as part of the government are committed to this. The Panama of the future, the Panama of hope, cannot be built on the swamps of recrimination and hatred. We seek to build it on the solid ground of harmony and respect for the opinions of others. We are seeking to build it with a team completely divorced from political affiliation or party quotas—a team comprising men and women committed only to the country and of whom we demand just two things: honesty and efficiency. That is why all—I repeat—all Panamanians know who represents their final hope.

### Papa Egoro's Blades Appeals to Voters

*PA0305035394 Panama City Television Networks in Spanish 0100 GMT 3 May 94*

[Statement by presidential candidate Ruben Blades of the Papa Egoro Movement during the final presidential "debate" sponsored by the Latin American Institute of Advanced Studies and the Media Presidential Debate Committee; place and date not given—recorded]

[Text] Some 90 years ago, at the beginning of a new century, Panamanians adopted with patriotism and courage the decision to forge a new nation. Today, nearly 100 years later, Panama is preparing for another important historical event—the country's entrance into the 21st century. The government we will elect on Sunday will be responsible for preparing and implementing a national program that will allow us to enter the 21st century ready to participate and compete advantageously. We must resolve the current crisis; we must strengthen our institutional, cultural, economic, political, and moral values; and we must begin the construction of a new country capable of facing the challenges of a new century.

To achieve these goals, the new government will have to work with the greatest degree of honesty, dedication, and patriotism, and it will have to work with only one goal—to serve Panama. For this reason, it is vital that the executive branch not be controlled by private interests that are represented by the leadership of the traditional political parties. The bosses of these parties do not differ from one another. All of them have betrayed their own rank-and-file, and they have also betrayed the ideals of their original leaders. See how today, given the actual possibility that decency may win, they are uniting to attack us in a shameful campaign of lies and infamy. Let us start putting things in their rightful order, because we will not let them insult the intelligence of our nation's men and women.

The same conceit and arrogance that prevented them from seeing the nation's problems have also prevented them from recognizing the balanced proposals of the Papa Egoro Movement. Moreover, they were unable to foresee the consequences of their blindness. Now that the people's wisdom has bested them and the Panamanian people are overwhelmingly supporting a new and different program, they have been unable to find arguments that enable them to fight fairly.

In this immoral campaign, which I suppose will continue until Election Day, I am being accused of being a CIA agent, of being a communist, of trying to change the currency, of being a hireling of the military, of using drugs, and of many other things, and all of these accusations are made without evidence or are based on false or forged evidence. I assure you, honest men and women of my country, that all of this is part of a plan to cause confusion and undermine our movement's support. It is all a lie. They want you to believe that the option of decency has no possibility of winning, as well as believe that, in these elections, you can only choose between two options which represent the past and which have squandered the best opportunities Panama ever had.

We, on the other hand, propose a government that will be honored and proud to work for our country and will

also exalt all of us in order that we may recover the feelings of national pride which glorify a nation. The government we propose includes capable professionals who come from all social, political, and labor groups in Panama. They are people with vast professional experience, noble qualities, and whose leadership is based on merit. This government team will set an example of unity and tolerance among brothers, honesty, creativity, goodwill, independence, national pride, ability, imagination, and all of the good qualities of the Panamanian people.

This is what we need in order that, when the Canal is handed over to the Panamanian people, the reverted areas do not become political loot for irresponsible individuals capable of sacrificing a whole country to satisfy their material ambitions. Let us remember that the Canal is not simply an important economic resource; it is a responsibility shared by all Panamanians before the entire world. The seriousness of its management will determine the amount of respect we receive within the international community.

The Papa Egoro Movement has stated and repeated many times that it is necessary to change the Panamanians' political conduct so that their participation in the government may become a true civic goal. I agree with the school of thought that defines the failure of traditional politics as the failure of men and women whose moral corruption has been unmasked by power, or who have been compelled to accept corruption to achieve a covetous share of power.

We have to make an effort—all of us, together, all social and economic groups, the rank-and-file of all political parties, and all ethnic groups—to elect and support a government that makes a change. I am confident we will achieve this, because the Panamanians who are responsible, decent, and prepared to work for a better country represent the majority. This determination to solve our problems and establish the groundwork to enable Panama to begin to change must be clearly stated at the ballot boxes as an exemplary civic duty.

I congratulate those who will vote for their candidates, not because they will get a sinecure or a job, or as a result of vengeance and retribution, but because they are convinced by their proposals and because they believe in those men and women. The electoral challenge we now face is a struggle between hope and failure, between an honest political position and politics for the sake of politics, between the desire to honor the homeland and the desire for personal gain, between the future and the past, and between honesty and corruption.

Let us go out and win this battle for the sake of Panama, for the sake of our highest thoughts, for the sake of our finest feelings, and for the sake of honesty. I am asking the Panamanians to go out and vote and unequivocally state that we all want true change, and I am asking them not to let money and false promises prevail when they make their decision. This time, please, listen to your consciences and hearts. Thank you.

### Change 94's Carles Appeals To Voters

*PA0305043094 Panama City Television Networks in Spanish 0100 GMT 3 May 94*

[Statement by presidential candidate Ruben Dario Carles of the Change '94 Alliance during the final presidential "debate" sponsored by the Latin American Institute of Advanced Studies and the Media Presidential Debate Committee; place and date not given—recorded]

[Text] Fellow Citizens: Throughout my speeches during this electoral campaign, I have reiterated that the 8 May elections will be the most important in our country's history. Our future and that of the coming generations depend on these elections. Our campaign is based in reality, not false illusions. Our promises are based on experience, on our team's ability, and on what we know we can do. False promises with the selfish objective of winning votes are not part of my personality, nor those of vice presidential candidates Guillermo Quijano or Tomas Herrera. It is simply dishonest to make false promises.

We live in a world of realities with real problems that demand solutions which our young associates can provide. Our reality is clear. Panama must overcome the present to guarantee the future. Panama cannot be prosperous so long as we have children going to school hungry. We cannot tolerate that. Our young people must have opportunities and effective educations so our country can develop. Our country needs young people who are strong both physically and spiritually. Those characteristics require an education that instills a guiding light in the souls of our youths.

Panama is a country with potential, and we will turn that potential into realities to be enjoyed by all Panamanians. To achieve this, we need a capable government that will make the necessary decisions; a government that will make decisions honestly; a government that knows what it is doing; a government that will energetically make decisions and implement them efficiently.

That is why the government that we will establish following the 8 May elections will be made up of men and women who have the know-how ability, honesty, and experience to make and implement those decisions. You are familiar with these people because they are not unknowns, nor have we kept them hidden. You see them around me all the time because they have attended all kinds of political events. It is a disgrace that in Panama, a country with the potential to be wealthy, a majority of the population is still poor, and too great a percentage of the population currently lives with so many scarcities.

More than 90 years ago, Panama optimistically entered the community of free, sovereign nations. When it achieved that freedom and sovereignty, it hopefully

announced that it had finally reached victory through unity. That is why we are now astonished to hear some people doubt that we are going to find the path that will lead us to the fatherland about which [Panamanian poet and writer] Ricardo Miro wrote.

President Lincoln, the same person who spoke about government of the people, by the people, and for the people, also said that when the people are kept well informed, the nation is safe. That is why when the people exercise their right to elect government leaders, they also have every right to have access to all the information they need, without exception, to make an intelligent vote, in full knowledge of what they are doing and obeying only the dictates of their conscience and an analysis of the records of those whom they choose to support.

Today, in the last phase of the activities promoted by ILDEA [Latin American Institute of Advanced Studies] in the electoral process, I must point out that these activities were unable to promote an analysis of the problems and the solutions proposed by the candidates. The analysis was made on the basis of questions that led to ambiguous answers which did not permit a differentiation between the truth and falsehoods. Panamanians have not had a real opportunity to evaluate the proposals, plans, and programs of the candidates through an in-depth analysis. The vice presidents on my ticket asked for debates with the other vice presidential candidates. Debates were not held at that level.

Nevertheless, the people are wise despite all the limitations, and on 8 May they will elect their future leaders. It is their opportunity to find the lost path. The decision is up to the people and only the people. I know my fellow citizens will not make a mistake, because their hopes for a better future now depend on their decision, no one else's. We of the Change '94 alliance offer a real, innovative, and valuable change to once and for all achieve real victory for all Panamanians. For this purpose, fellow citizens, give us your vote. We are the best ticket, individually and collectively. Back us with your vote, which is what the country needs.

## Perez Balladares Holds 4-Point Lead Over Blades

*PA0305015894 Panama City Circuito RPC Television in Spanish 2300 GMT 2 May 94*

[From the "RPC Television News" newscast]

[Text] The latest CID [Multispecialty Development Counselors]-Gallup poll indicates that the majority of votes in the upcoming presidential election will be split between Ernesto Perez Balladares of the PRD [Democratic Revolutionary Party] and Ruben Blades of the Papa Egoro Movement. If the presidential election had been held between 25 and 29 April, 30 percent of Panamanian voters would have voted for Perez Balladares, 26 percent for Ruben Blades, 17 percent for Mireya Moscoso de Gruber, 14 percent for Ruben Carles, 2 percent for Eddy Vallarino, 1 percent for Samuel Lewis Galindo, 1 percent for Jose Salvador Munoz, and 9 percent were undecided or preferred not to answer.

These results were based on 1,200 interviews. In the report, the CID-Gallup pollsters noted that, bearing in mind the rapid increase in support for Ruben Blades, they were unable to predict one week before the elections whether Ruben Blades or Perez Balladares would win. According to the polling firm, Perez Balladares' lead is larger than the 3-percent margin of error, but only slightly.

In the latest CID-Gallup poll, one's attention is drawn to the difference in the support by region of the country for both Perez Balladares and Ruben Blades. In the survey, Perez Balladares had a support rating of 31 percent in the metropolitan area and 29 percent in the rest of the country for a total of 30 percent. Ruben Blades, meanwhile, had 33 percent in the metropolitan area and 18 percent in the rest of the country for a total of 26 percent. Blades has a 2-percent lead over Perez Balladares in the metropolitan area, while Perez Balladares has an 11-percent lead over Blades in the rest of the country. Nevertheless, bearing in mind the number of votes for each region, Perez Balladares has a 4-point lead over Blades at the nationwide level. The margin of error is 3 percent.

In the trends section of the report, CID-Gallup indicates that in the March-April period, Perez Balladares registered a slight 3-percent drop, while Blades registered a 14-percent increase. CID- Gallup comments that if this trend continues, singer Ruben Blades could end up the winner.

CID-Gallup ends its report by stating: We oppose the restrictions imposed by electoral tribunals on conducting polls and releasing their results just prior to Election Day, as is the case in Panama. According to CID-Gallup, it is clear that the situation could change in the final week before the elections, and it will be impossible to report the trends during this final week to the public.

## Former Noriega Associates Receive Jail Terms

*PA3004?2194 Panama City Circuito RPC Television in Spanish 2300 GMT 29 Apr 94*

[From the "RPC Television News" newscast]

[Text] The Higher Court of the Second Judicial District based in Penonome has sentenced Melbourne Constantino Walker Nevans, Eugenio Nelson Magallon, and Nivaldo Madrinan Aponte to 15 years in prison for the murder of Father Hector Gallego. The court ruled that Walker Nevans and Madrinan Aponte are entitled to a reduction in their sentences for time already served in connection with this case. In addition, the Higher Court of the Second Judicial District acquitted Oscar Agrazal Jimenez of the charges against him.

## Minister Notes 'Good' Relations With EU

*PA0205211994 Panama City Telemetro Television Network in Spanish 1730 GMT 29 Apr 94*

[From the "Telemetro Reports" newscast]

[Text] Panama maintains good commercial relations with the EU (European Union), although there have been some differences regarding some products. This was announced by Commerce and Industry Minister Ricardo Fabrega.

Although the EU has imposed certain restrictions on our country, on products such as bananas, seafood, and fish, Commerce and Industry Minister Ricardo Fabrega said multilateral commercial relations are at a very high level. A ruling is pending in the case of bananas.

[Begin Fabrega recording] Within those commercial relations we have some differences of opinion, such as on the topic of bananas. We have established mechanisms of communication, however, and have announced our position. Certain countries of the EU support our stand, and this is being defined by a tribunal. We expect a ruling will favor our decision sometime around October. [end recording]

In the case of seafood, Panama will make certain modifications so as to later resume commercial relations with European countries on this product.

[Begin Fabrega recording] In the Athens meeting, we held some meetings with ranking EU officials. They explained what gave rise to the problem with seafood in terms of the rules of origin of the seafood. We were able to reach a very satisfactory agreement on such rules. We think that within a very short time our seafood products will enter the European market duty free. [end recording]

## Argentina

### Alfonsin Elected UCR Bloc Leader

*PY0205132294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1941 GMT 29 Apr 94*

[Text] Buenos Aires, 29 Apr (NA)—UCR [Radical Civic Union] President Raul Alfonsin was elected on 29 April as president of the UCR bloc in the Constituent Assembly and Cordoba UCR leader Ramon Mestre was appointed first vice presidential candidate for the Constituent Assembly that will meet in the cities of Santa Fe and Parana.

Both decisions were made during the first 10 minutes of a meeting the UCR Constituent Assembly members are holding at the party's National Committee headquarters in Buenos Aires' Congreso neighborhood.

The motion for Alfonsin to preside over the UCR bloc was made by Antonio Hernandez, a pro-[Cordoba Governor Eduardo] Angeloz Constituent Assembly member from Cordoba, while Cesar Jaroslavsky, a pro-Alfonsin member from Buenos Aires, moved that Mestre be nominated first vice president of the Constituent Assembly.

### Indigenous Peoples Council Warns of Poverty

*PY0205204094 Madrid EFE in Spanish 2344 GMT 28 Apr 94*

[Text] San Carlos de Bariloche (Argentina), 28 Apr (EFE)—At its meeting today, the Indigenous Communities Advisory Council [Consejo Asesor Indigena] (CAI) assembly warned that 4,000 Mapuche Indian families in southern Argentina are barely able to eke out an existence.

The meeting was attended by indigenous people from the Rio Negro and Neuquen Provinces in the Argentine Patagonian region.

The CAI issued a press release stating that "the prices of products have not changed," adding that—on the contrary—"low prices continue to aggravate the situation of small- and medium-size producers."

The CAI demands that the authorities order the immediate implementation of a comprehensive Indian law and rejects "attempts to divide the region, which merely seek to undermine the historic decision by indigenous peoples to remain politically united."

The CAI reaffirms the determination to struggle and resist all plans "to evict us and to do everything possible to defend the land that is our life."

They decided to strengthen the political unification of the southern region "through coordinated movements, as a way to defend our rights and the rights of all groups affected by current economic policies."

They demand the implementation of the Southern Region Development Organization "which must make every effort to plan alternatives."

The document concludes: "The participation of the CAI in the continental, indigenous, black, and popular movement places us on the same footing as other Argentine and Latin American organizations, on the same path of construction, and as part of the same resistance."

### Nuclear Agency Director Promotes Services

*PY3004003194 Madrid EFE in Spanish 1343 GMT 27 Apr 94*

[Text] Buenos Aires, 27 Apr (EFE)—Manuel Mondino, president of the National Commission for Atomic Energy (CNEA), has said that Argentina wants to consolidate its position as a nuclear technology exporting country, adding that the agency exported for a total of $300 million between 1977 and 1993.

Mondino told EFE: "Over the past two decades the country has won a place in the competitive international market, thanks to the quality of its exports and the degree of technology transfer."

The CNEA is a state organization, associated with private capital to design and develop projects and conduct research in the areas of nuclear power plants, fuel cycles, radioisotopes, radiation, and technology services.

Argentina has signed several agreements for the peaceful use of nuclear energy, and is a member of various safeguard agreements. Nuclear agency representatives exhibited the results of their latest research efforts during a recent American continent experts' meeting in southern Argentina.

"On that occasion we explained that the CNEA provided 16 percent of the electricity consumed by the country through its two nuclear plants, which places us in first place as an energy producer," Mondino said.

The CNEA president said that on the occasion there were also lectures on the application of radioisotopes, which is a vital product for the early diagnosis of several diseases, in nuclear medicine.

In the area of exports, the most important deals were the export of reactors to Peru, Algeria, and Egypt, the sale of uranium dioxide to Germany, and a plant for the production of radio-medicines to Cuba. The CNEA also closed deals with Canada, Iran, Rumania, and Turkey.

Argentina produces 8 percent of the total world cobalt 60 production. Cobalt 60 is used in nuclear medicine, the preservation of food, the elimination of pests that attack crops and livestock, and to improve industrial yields. The radioactive material is produced in the Embalse Nuclear Plant, and the surplus is exported to the United States, France, Chile, Colombia, Mexico, and Belgium, Manuel Mondino said.

Regarding Argentina's development of nuclear projects for peaceful use, as compared with the rest of Latin America, Mondino said that his country and Brazil "have the most advanced projects, closely followed by Mexico."

Mondino expressed enthusiasm for the plant to irradiate waste that is being developed by CNEA scientists, stressing that Chile has shown interest in the project because it is redesigning its own sewage disposal network.

The CNEA has 5,682 agents throughout the country. Among its most important installations are two operating nuclear plants, one nuclear plant in an advanced state of construction, three atomic centers, one reactor for the production of radioisotopes, and one plant for food irradiation.

The agency also has a cell for the production of sealed cobalt 60 sources, two heavy water plants—one experimental and one industrial—one uranium enrichment plant, one Nuclear Medicine School, and one Physics and Nuclear Energy Institute, which is considered one of the most important in Latin America.

### Communist Organization Booby Trap Injures Two

*PY2904215494 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1328 GMT 29 Apr 94*

[Excerpt] Buenos Aires, 29 Apr (NA)—A 23-year-old man had the lower third of his right arm and the forefinger of his left hand amputated today, after an explosive device, which he found tied to a sign of the People's Revolutionary Organization (ORP) at the intersection of General Paz Avenue and Francisco Beiro Street, went off.

Edgardo Dario Ruiz was strolling with a group of friends at 0300 this morning when he saw a strange package hanging from the sign. He took the package to a private residence at the intersection of Ejercito de los Andes and San Roque Streets in Jose Ingenieros district, and tried to open it, at which point the device went off.

The young man was immediately taken to Santojanni Hospital where the lower third of his right arm and the forefinger of his left hand had to be amputated.

Leonardo Vicente, 18, Ariel Leroiani, 18, and a female aged 14 were accompanying Ruiz, who also sustained first-degree burns to his right eye.

Vicente's face was also bruised by the explosion He was taken to Santojanni Hospital as well, but his injuries are not serious.

According to the Buenos Aires police the homemade bomb exploded as it was being manipulated. They also reported that four other explosive devices were found attached to the sign, three of them 2.54 cm wide by 15 cm long, and the last one 1.27 cm wide by 20 cm long. The bomb squad buried and detonated them.

The sign to which the bombs were attached said "Let's fight the labor reform," was signed by the ORP, and bore the red communist star.

Shortly after the bomb exploded, Interior Minister Carlos Ruckauf said that it was a "serious matter" although he added that "these kinds of booby traps are nothing new."

Speaking to Radio Continental, the interior minister said: "During these 10 years of democracy we have had this very same organization (meaning the ORP) cropping up every so often and setting these booby traps." [passage omitted]

### Leftist Parties Discuss Economic Policy

*94SM0331A Buenos Aires LA PRENSA in Spanish 10 Apr 94 pp 1, 10 Section 2*

[Article by Eugenio Andrea Bruno including interviews with Carlos Alvarez and Alfredo Bravo: "Those to the Left of the Government"; place and date not given]

[Text] Responding to those who criticize them for evading economic issues, Carlos "Chacho" Alvarez, Alfredo Bravo, Anibal Ibarra, and Norberto Laporta spoke with LA PRENSA about privatizations, competition, deregulation, economic liberalization, and the Cavallo Plan.

In his now classic column in LA PRENSA, Javier Gonzalez Fraga stated last Sunday that the future opposition to capitalism would no longer renounce its economic principles, but would try to criticize it from the inside, in effect acknowledging its economic success.

The alternative presented by the Argentine left, on the other hand, was based on a virtual replacement of private activity by the state, although it maintained the notion of private property. The choice was clear: capitalism or socialism.

The economy would function on the basis, not of the free market, but state planning. Terms such as privatization, deregulation, liberalization, strong currency, and competition were not in the left's vocabulary.

On the international level, they identified with the democratic socialist movements that were implementing planning policies. The Weimar Republic in Germany, the first Institutional Revolutionary Party (PRI) in Mexico, which reformed its country's constitution, the postwar British Labour Party, and Salvador Allende's government in Chile could be considered valid points of reference.

At present, the state vs. market debate appears to be dominated by capitalism, insofar as it has recovered academically and has triumphed in the sphere of economic policy. Governments are no longer advocating more state and less market, but instead are trying to

expand the market. And the governments labeled socialist are also participating in this era, applying capitalist models.

The question, then, is this: Where do leftists in our country fit into all these changes?

**Inside and Outside**

In theory, it could be said that there are two successful political movements of the left (and the elections this Sunday will serve as a measure of how representative they are): the Grand Front (FG) and Socialist Unity.

Their economic proposals are marked by criticism of the capitalism of President Carlos Menem's government. Both maintain that the Cavallo Plan does not have social measures to protect the most defenseless segments of society. "It is for the benefit of a few," agree Alfredo Bravo and Carlos Alvarez.

When asked by LA PRENSA if there are indeed fresh winds blowing in the left and if Felipe Gonzalez is an example of that, the first convention candidates almost agree.

"Each situation must be considered separately," says Bravo. "Spain is not the same as Argentina. It is impossible to imagine Spain outside of the European Community, so Gonzalez has been forced to accept some economic freedoms that I would not accept." "Chacho" Alvarez, on the other hand, contends that "although the countries' circumstances are different, I should point out that Felipe Gonzalez's social democracy has failed to achieve a society without poverty."

A comparative analysis reveals that the Grand Front's economic proposal differs from that announced by Socialist Unity. The latter's representatives stated at the outset of our dialogue that if they were in power, they would review all privatizations, and they would not under any circumstances accept the current market economy. The Grand Front is not so radical: "We have not yet defined an alternative economic program," says "Chacho" Alvarez, "however, we believe that stability is one of the government's great achievements. If we were called upon to run the government, we would maintain it. We also think that economic activity should be assigned a very significant role in the economy. We favor economic policies that view the market as a complement to the state. For example, in the case of the economic liberalization, Argentina should gain competitiveness to export more goods."

Each of them appears to have different cricitisms. While the socialists under Bravo's leadership criticize capitalism from the outside, the Grand Front prefers to do so from the inside.

In this regard, there is one fact that "Chacho" Alvarez may perhaps have realized, and that is that to win elections, it is necessary to move toward the center, and especially toward what society thinks. Today, Argentine society is imbued with the ideas of economic stability based on price freedom.

In short, neither of the two lefts will defend free-market economics, and both advocate policies for employment, housing, business-labor-government coordination, nationalizations, and market control, plus broad social policies aimed at promoting the most backward sectors.

They differ, however, on how much state intervention there should be. This proves that the triumph of capitalism has left different impressions on the Argentine left, and that its leaders have not reacted in the same ways.

**[Box, p 10]**

**Anibal Ibarra: "The State Is Not a Corporation"**

Grand Front Councilman Anibal Ibarra believes that his party is in the center-left. "We do not identify with any international model, however," he told LA PRENSA.

"In general, we aspire to achieve monetary stability, but with a state presence in the economy, complemented by the private sector," the councilman concluded.

With respect to the privatizations, Ibarra favors them, but with limitations: "We want to privatize only those areas that are not so economically and strategically important that they affect the control of the national government." When asked what those sectors might be, he responded that hydrocarbons, telecommunications, and air traffic should not be privatized.

He also maintains that the state cannot be run as if it were a big company that must yield profits. "The state is not a corporation that is merely interested in the bottom line. There are social gains that cannot be assigned monetary value."

"If we were in office, we would administer public resources by spending money on clothing for children rather than compact discs," concluded Anibal Ibarra cheerfully.

**[Box, p 10]**

**Norberto Laporta: "Stop the Neoliberal Advance"**

"There is a new left that must try to stop the neoliberal advance. Our thinking is in accord with the position of Michel Rocard in France, who contends that although socialism has changed, it should not borrow principles from neoliberalism." This was the opening salvo in LA PRENSA's dialogue with Norberto Laporta, Buenos Aires city councilman for Socialist Unity.

As for the national situation, the second convention candidate of that same party argues that the privatization process was handled wrong. "The government sold the state for a song," explains Laporta.

The councilman also outlined his position on social issues: "The government's neoliberalism amounts to the repeal of the workers' conquests, given that capital-labor relations continue to be exploitative. The current government's capitalism is Manchesterian in nature."

Laporta believes there are three economic spheres: public, private, and mixed. "The public sector includes strategic economic activities such as public services, petroleum, and the airlines. In the mixed sector there are initiatives that are important for the economy, but they are not of the caliber of the first group. And finally, the strictly private sphere encompasses the rest of the economy," explained Laporta.

**[Box, p 10]**

**Carlos Alvarez: "The Stability Is Undeniable"**

The creator of the Grand Front says that after the elections (today), he will get to work on an economic program for governing, first the federal capital, and then the country.

Speaking about the economy for the first time, Alvarez outlined his party's future economic proposal: "We are going to maintain stability, although we will add social measures to it; we will not reverse the privatizations, and the opening up of trade will be accompanied by a policy of complementarity between the state and the market."

[Bruno] How do you define the Grand Front?

[Alvarez] The Grand Front occupies the center-left portion of the political spectrum. I define it as an open political alternative that is recovering values currently being lost in Argentina.

I do not know if proposing the modernization of the economy with the inclusion of social programs means being to the left of the government. We do indeed contend that Argentina needs to be more equitable and more balanced.

[Bruno] Do you identify with any socialist movement in Europe?

[Alvarez] I think there is a crisis of paradigms. Marxism has failed. The authoritarian socialisms collapsed. Social democracy has failed to achieve more equitable societies, and there is also a failure of the idea of market fundamentalism, the corollary of which is the rise of racism and xenophobia.

Our challenge is to construct a new paradigm, and there is no reason why it should resemble any of the options that are dominating the international scene.

[Bruno] If you were in charge of the public administration, what model would you promote?

[Alvarez] In principle, it is difficult for us to place ourselves in different situations. Today we are expressing Argentine society's demand for a political force that can be effective when it comes time to control the excesses and abuses of power.

I should point out, however, that we must draw up an alternative economic program for after the constitutional convention elections.

Our growth is based on gradualism. First we must institutionalize the political strength of the Grand Front.

[Bruno] In that connection, what truth is there to the rumors that you are working on a minicabinet for an eventual mayoral candidacy?

[Alvarez] I am not married to any candidacy. I do want to be a part of a political movement that will provide an alternative for government. In that regard, we have been up front with the socialists, proposing that they head the list in these elections.

We are going to work on the issues that are important to the city, however, because people will not vote for us to govern the country if we cannot first show that we can run a local government efficiently.

[Bruno] But they will not vote for you to run the city, either, unless you tell them what you are going to do ahead of time....

[Alvarez] That is right. We must present a clear alternative for administration and government, and at the same time prove that corruption is not a matter of a few scattered officials lining their pockets fortuitously. Corruption is systemic, structural, and it is affecting services that are essential for improving our quality of life. For example, the most pessimistic estimates peg this dirty money at $4 billion a year.

[Bruno] One indication of the Grand Front's economic policy is its assertions that stability is an accomplishment that it intends to maintain.

[Alvarez] It would be crass of us to deny that there is stability. Nevertheless, we believe that although the stability is an incontrovertible fact that is beneficial for society, we must bring to the fore the issues that it cannot resolve by itself.

[Bruno] Do you believe in privatization?

[Alvarez] I believe that we must look at each privatization individually. It is an instrument that we cannot ignore.

I think that there is no Cavallo model. There are instruments. So we will analyze each instrument, one by one. With regard to the privatization instrument, we have no ideological prejudices that cause us to oppose it.

But we still must analyze each privatization, one by one. For example, we believe that the privatization of the airline was very badly handled, because we ended up with a single flag airline in foreign hands. We know, however, that we will not have a chance to review it,

although we would like to discuss its efficiency, the quality of service, and the rate structure.

In short, we agree with the way some of the privatizations were carried out and not with others.

We also do not think it prehistoric to question whether the state could have run a profitable company effectively, as is the case in other countries in the world.

[Bruno] What about the economic liberalization?

[Alvarez] The external liberalization is aimed at improving the competitiveness of the Argentine economy. We can propose another liberalization model that looks at how the most advanced countries in the world set up industries so that they can be competitive and gain a market position that they do not now have. The idea is to find an economic design with complementary roles for the state and the private sectors, in which the state provides orientation and infrastructure and seeks out competitive niches.

If we leave everything up to the spontaneous development of the market, Argentina may end up without any production of high-value-added goods. I do not see anything wrong with the state helping private industry.

[Bruno] Could the government of Patricio Aylwin be a reflection of your policies?

[Alvarez] The Chilean model was phased in gradually. First they achieved economic efficiency, although with a much less dogmatic vision. For example, they have the Chile Foundation, which helps small and medium-sized companies become competitive in the world.

But I think there was also some neglect of the sectors that remained on the sidelines, excluded from the ideological reconversion.

In this regard, it seems to me that Argentina would not have to wait for a new government to become aware of this situation.

**[Box, p 10]**

**Alfredo Bravo: "We Would Review all Privatizations"**

In a tone sharply critical of the government's economic policy, Deputy Alfredo Bravo of Socialist Unity told LA PRENSA that this plan ignores the individual. "It takes into account only concepts like efficiency, surpluses, and competition."

When asked about the socialist movement in the world, and specifically about Felipe Gonzalez's economic policy, the deputy responded that socialism has not changed. "To determine whether there have been political mutations, we must place ourselves in the situation of each country. For example, Felipe Gonzalez was forced to introduce economic freedoms in Spain that I would not accept. But he had to do it, since it was a prerequisite for joining the European Economic Community."

[Bruno] How would you sum up the socialist program?

[Bravo] First of all, we believe that the dogmatic part of the Constitution should be amended. We advocate the recognition of the rights of workers, children, women, and the elderly. In the educational sphere, our program calls for free education as a constitutional right.

If the spirit of the Constitution of 1853 was liberal and that of the Reform of 1949 was social, the spirit of our program is socialist. On the worker's side.

Furthermore, it is obvious that there are some concepts that were impossible to get through in 1853, such as democracy and social rights.

Our reform program is to the left of the government and of the Radical Civic Union (UCR). We socialists have always occupied that position on the political and economic spectrum in Argentina.

[Bruno] Is there a new concept of socialism in the world?

[Bravo] It is not that socialism has changed, but it has adapted to the specific situations present in each country. The circumstances of Felipe Gonzalez's government in Spain are different from those of the socialist movements in Latin America. It is impossible to imagine Spain outside of the European Community. And joining the European Community has necessitated the acceptance of economic freedoms that I would never accept.

[Bruno] Where do you stand on the old "state vs. market" debate?

[Bravo] I think that the state should regulate the economy. In an effort to give priority to social issues, I think it is necessary for it to intervene in economic activity by monitoring private companies and promoting worker participation. I favor direct productive activity by the state.

[Bruno] What is your opinion of the Cavallo Plan?

[Bravo] The Cavallo Plan is devoid of social content. We think it is a program that considers only efficiency, surpluses, and competition, and ignores the most important issue, the individual.

If we were in power, we would carry out social measures, and we would review all privatizations.

The roots of the socialist movement are Marxist. Nevertheless, this does not mean that we would adopt all the precepts of Marxism, or that we are Marxists. For example, it was Alfredo Palacios who did the Spanish translation of "Das Kapital" that was used to train many socialist leaders.

## Bolivia

### President: DEA Must Abide by National Laws

*PY0305033294 La Paz LA RAZON in Spanish 23 Apr 94 pp A8-A9*

[Text] Yesterday President Gonzalo Sanchez de Lozada said that the DEA works and must continue to work in a coordinated manner with the national institutions and abiding by the Bolivian laws.

In response to the concern expressed by several sectors regarding the alleged interference by foreign agents or organizations in domestic affairs, the president explained: "We are getting the DEA to work in a coordinated manner with the Bolivian institutions, abiding by the national laws."

The chief of state said that at a personal and diplomatic level he clearly stated that the orders must come from Bolivia, as we are waging a great joint struggle against drug trafficking and for this need U.S. support.

The president said: "We need U.S. assistance, but it should be granted within a framework of mutual respect and the effectiveness that stems from adequate coordination."

In Sanchez de Lozada's opinion, the DEA has heard the criticisms from various sectors of the country, and he believes it has understood the rules of the game.

He stated, however, that as a result of these criticisms he is not going to adopt a chauvinist attitude nor seek to easily gain popularity by criticizing the United States for what has happened.

The DEA's work in Bolivia is being questioned by political and social sectors, among them the Church, which believe that the DEA is violating Bolivian sovereignty.

U.S. Ambassador to Bolivia Charles Bower was the first U.S. Government authority to answer these expressions of concern, stating that there are no signs of interference in domestic affairs.

### Increased Drug Addiction Among Youth Reported

*PY0305001094 La Paz PRESENCIA in Spanish 20 Apr 94 Section 2 p 1*

[Text] Cochabamba, 19 Apr (PRESENCIA)—The increasing use of drugs is converting Bolivia from a producing country to a consuming country because "drug addiction is unfortunately consolidating itself in the country."

This comment was made by Rolando Camacho Pena, director of the Council for the Comprehensive Prevention of Drug Abuse, Treatment, and Rehabilitation, Copre. He stated that drug addiction affects students in particular. He said: "For this reason the greatest part of our effort and work is directed toward that section of the population."

He reported that in 1990 a study was made on drug consumption among high school and university freshmen students. The study revealed that the national average was 12.82 percent and that the most affected departments were Santa Cruz and Cochabamba with 16.39 and 16.35 percent respectively. He said: "This leads to the conclusion that the prevention program at the school level must be strengthened." The first Copre publication on epidemiological studies explains drug addiction trends and behavior patterns.

Camacho said: "Unfortunately the trend shows that drug addiction among students is increasing. This means students are consuming more drugs, they are more involved in drug consumption."

The study, conducted by the Bolivian Red Cross in 1986, showed that drug addiction was 10.32 percent. This increased to 12.82 percent in 1992. Habitual consumption [consumo habitual] increased from 1.6 to 2.65 percent from 1986 to 1990. Camacho added: "The problem is constantly increasing."

Camacho indicated that the studies will now be conducted every two years because "the problem is so serious that we need to study addiction trends and be alert for a possible epidemic that could have catastrophic consequences for our students."

The drugs that are consumed most include the so-called legal drugs—alcohol and tobacco—which form "a bridge" to the use of other illegal drugs like cocaine and marijuana "which seriously affect the health of the young."

### Need To Investigate Money Laundering Noted

*PY0305034794 La Paz LA RAZON in Spanish 20 Apr 94 p A5*

[Editorial: "Money 'Laundering' in Bolivia"]

[Text] Whether we like it or not, the laundering of dollars, national currency, or any foreign currency is not a crime in Bolivia. To be a crime it would have to be specifically described as "antijuridical conduct" either in the Penal Code or in a law such as the frightful and now repudiated Law 1008. Oddly enough, neither those in the U.S. Embassy nor their Bolivian counterparts who implement draconian measures included such conduct in that law, and therefore it is not characterized as a crime.

Perhaps the reason for this is the fact that the "laundering," which is also called "whitewashing," is impossible to keep under control in a financial and monetary system like ours, where there are no restrictions for converting our currency, or where no question is asked about who makes deposits or withdrawals in bank accounts for any type of currency. The other ways of finding out (through

legal means, and not through intimidation, blackmail, or physical or psychological torture) if a transaction is voluntarily linked to a crime are also impossible. For example, how can you incriminate the apostolic vicariate in a Santa Cruz Province that 10 years ago sold a cattle ranch in its ownership to an individual who is now being accused of drug trafficking?

There are many examples, and the introduction of controls to prevent the undesirable laundering can do nothing more than obstruct the normal flow of financial operations. In reality, what Law 1008 establishes is the investigation of wealth, and in this way trace whether an individual accumulated wealth through illegal activities such as drug trafficking. This should be extended to other individuals to find out whether there were cases of embezzlement or corruption in the public administration.

### Indian Leaders React to Popular Participation

*94SM0329A La Paz HOY in Spanish 29 Mar 94 p 7*

[Text] The proposed Popular Participation Law, which according to the government will bring development to rural areas, is seen by Miguel Urioste, the deputy of the government party, as a juridical instrument that will liberate the indigenous peoples. In the opinion of Fernando Untoja, leader of the National Katarist Movement (MKN), the new law will serve only to register and allocate the land. The head of the CSUTCB [General Trade Union Confederation of Peasant Workers of Bolivia], Felix Santos, says that "what the administration wants with its proposal is the support of the peasants to hegemonize power."

Despite the fact that the indigenous peasant represents more than 54 percent of the nation's population, integration into the economic, political, and social life of the country has always been an unresolved problem because of the social development and structure in Bolivia from its founding up to the present.

After 169 years of life as a republic, economic and political power is still denied to those persons who, for more than 500 years, have demanded the ownership of their lands, usurped in their opinion by "European invaders and their heirs, who today enjoy impunity in the command levels of the state."

The recent misfortune of the indigenous peoples, in the national and continental contexts, and the social injustice in which they live, was the motivation, according to government representatives, for the preparation of a law that would channel the sense of participation that the "people" have always had, Popular Participation.

The sentiment and the logic with which the administration rationalizes its proposed law is described by Miguel Urioste, national deputy of the Free Bolivia Movement (MBL), as a redistribution of the state's resources in order to encourage rural development.

"It is the first time in the country's history that 20 percent of tax revenues will have been transferred to the provinces, cantons, and communities through the sectional townships," said Urioste, referring to the projections for peasant development.

Fernando Untoja, presidential candidate for the National Katarist Movement (MKN) in last June's general election, believes, however, that the Popular Participation Law will not further social development, much less the economic strengthening of rural areas, because it does not contain a comprehensive agricultural policy.

"The Popular Participation project has a single virtue: it is designed to register territories and communities, which in the end will come down to the administration of schools, health stations, and other public facilities, through the municipalities and subprefectures," Untoja said.

There is still another view. In the opinion of Felix Santos, executive secretary of the CSUTCB, the Popular Participation Law is a plan that will commercialize land ownership, impoverishing the peasants even more.

"How can there be economic development and progress in rural areas when the administration itself has in mind to create land banks and institutes that will establish new rural taxes which logically further impoverish the peasants?" questioned the union leader, who is of Quechua origin.

A subject that concerns Fernando Untoja, who recently proposed an alternative plan to Popular Participation, is the law's lack of ideas and specific articles related to the economic development of rural areas. These are areas that suffer from a lack of markets for their products, and the fact that agricultural technology has not reached rural areas.

This thought was further developed by Santos, to whom it seemed "totally incoherent" that the government proposal did not take into account the economic progress of the indigenous peoples. Worse yet, it wanted to eliminate education and health services, transferring them gradually to the municipalities.

"I do not believe that the reallocation of the budget will aid the development of rural areas, especially when the money will come out of the pockets of impoverished urban families and of the peasants themselves, while wealthy businessmen will continue to benefit from our labor," he emphasized.

Urioste, vice presidential candidate for the MBL in 1993, defended the government's proposal, saying that "this is just the beginning" of a series of changes that, in the long run, will restructure a state that still preserves hidden forms of colonial domination and ethnic-cultural exclusion.

Urioste recognized that juridical equality for Bolivians, embodied this time in the Popular Participation Law, will not be sufficient to close the immense gap that exists

between the poverty of rural areas and the opulence of the privileged social sectors in the cities.

"We must keep in mind that this is an important plan but not the final one. I believe that this juridical instrument will, in a sense, initiate the liberation of the indigenous peoples," Urioste said.

In Santos's opinion, the worst thing that could happen to a poor person is to be a peasant, without access to political and economic power, without any real opportunity to take part in governing the state.

"We believe that one of the ways that rural areas can be developed is to transfer the administration of natural resources to the indigenous peoples, so that the proceeds of the exploitation of these resources can be administered autonomously by the people of the regions that produce them," said Santos.

The peasant leader's suggestion was converted by Untoja into an alternative proposal that was recently presented to Congress.

That document proposes drawing the indigenous peoples' tribal organizations into the state, which might even make possible a new system of national departments, based on Bolivia's ecological zones and ecosystems.

The most important feature of "Untoja's Katarist" alternative lies in the state's real ability to distribute land to the peasants.

"The current Popular Participation Law makes no provision for granting land to the peasants, which in this situation is the most important element for a takeoff in agricultural development, which is certainly not to be confused with the Basic Territorial Organizations (OTB's)."

Santos and Untoja, the latter of Aymara origin, agree in saying that the official document is political in content and has as its ultimate end taking possession of the rural sector and municipalizing it by means of the committees of vigilance.

"The government's aim in forming the committees of vigilance is obvious. These committees will be taken over by movement groups which will set aside and leave powerless the popular and communitary organizations of workers and indigenous peoples," the principal leader of the CSUTCB charged.

"This is evident. The ayllus, cabildos, jilikatas, curacas [presumably governing or representative bodies of the Indian nations] and other communitary organizations will have to give up their places to the committees of vigilance, which necessarily will be vouched for by the subprefectures, and in the final analysis these committees will do the screening of the OTB's representatives," said Untoja.

But Urioste, the number two man in the social democratic MBL, defends the project, saying that "the peasants' ability to choose, decide, and to administer should not be underestimated."

"I am certain that there will be no political infiltration in the committees of vigilance because they will not be handpicked but will be chosen by each community's individual system," said Urioste.

However, in Untoja's opinion the government sector already has a juridical instrument that "will legalize" political conditioning for each electoral event.

"For example, the community that does not agree with the government's political line simply will not receive resources to run its schools or health stations. This fact will produce divisions in the communities and ayllus, which will fight to be legally recognized," Untoja predicted.

In any event, and from different perspectives, Untoja, as well as Santos and Urioste, already knows that the new law will not produce an immediate economic takeoff in agriculture, although the MBL leader nourishes a certain hope.

## Brazil

### Secretary Flores: Executive Branch 'Handcuffed'

*PY0205133694 Rio de Janeiro O GLOBO in Portuguese 29 Apr 94 p 8*

[Text] Irritated with the slowness of the constitutional revision, Strategic Affairs Secretary Admiral Mario Cesar Flores on 28 April predicted the risk of a rupture between the executive, legislative, and judicial branches during the next administration if the legal order does not change. For him, whoever wins the elections will "be suffocated by the legal order, opposed by the congressional majority." In a categorical speech he delivered at BNDES [National Bank for Economic and Social Development] headquarters in Rio de Janeiro, the minister asserted that the executive branch is currently "handcuffed, limited in its actions by the legal intervention of the other government branches."

"With the juridical order we have, this administration, the former one, the one before that, and the next one cannot govern. The federal government was depleted while the states and municipalities benefited. This will not change with the elections. I fear that the situation may become worse after the elections because whoever wins the elections will hardly hold a majority in Congress."

Flores labeled the rural congressional bloc corporative, and, in protest against the maneuver that prevented the voting session on the provisional measure creating the URV [Real Value Unit], the admiral sent a message that seemed to include a threat during the "Governability and Political System" debate:

"We have been living for the past 10 to 12 years under an agreeable armistice that is part of our political culture, but it is not an unconditional surrender. We need a longlasting armistice that will lead us to peace."

The energetic speech by Flores, who also said the political parties have become "hostages of corporations within a suicidal congressional mechanism," surprised the rest of the speakers who, although admitting the governability crisis, wanted to avoid preaching chaos:

"I feel horror over those catastrophic forecasts," said former Minister Joao Paulo dos Reis Velloso, superintendent of the National Higher Studies Institute, after the debate.

Deputy Paulo Delgado (PT-MG) [Workers Party-Minas Gerais] thought Flores "exaggerated somewhat in his speech:"

This demonstrates a difficult situation: the impasse in Congress as a result of the explosive combination of the stabilization plan, the constitutional revision, and the elections.

## Commentator Examines Power of Congress Blocs

*PY0305030594 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 May 94 p A13*

[Commentary by Joao Domingos]

[Text] Brasilia—The action by the groups that a few days ago impeded the approval of the government economic program has shown the true colors of Congress: The Brazilian Congress that really works is not the Congress of political parties, but the Congress of groups. Such groups have created big, powerful blocs, regardless of party membership. The rural bloc, for example, is twice the size of the PMBD [Brazilian Democratic Movement Party] bloc, which is the largest party in Congress.

The bloc of nationalist lawmakers is bigger than the rural bloc, and also much more pluralistic. This bloc is made up of leftist deputies like Haroldo Lima (PC do B) [Communist Party of Brazil], Ernesto Gradella (PSTU-SP) [expansion unknown-Sao Paulo], and PDT-RJ [Democratic Labor Party-Rio de Janeiro] to politicians of such diverse trends as Prisco Viana (PPR-BA) [Progressive Renewal Party-Bahia] and Josaphat Marinho (PFL-BA) [Liberal Front Party-Bahia]. The nationalist bloc has made unfeasible all attempts to end the monopoly of Petrobras [Brazilian Petroleum Corporation]. All bloc members consider the oil sector a strategic area.

Whenever the interest of some of those groups is jeopardized, their members react immediately. The rural bloc has just prevented the approval of Provisional Measure 457 [MP 457], which established the URV [real value unit] as the basis of the government economic plan. In exchange for support for the Planalto Palace proposal, they demanded the pardoning of the debts that were contracted before the Collor plan. During the negotiations they obtained a promise to reschedule the debts over a five-year period. They rejected the promise, and increased their demands, because they know they can exert even stronger pressure.

"There is an excellent environment for group action in Congress," PFL leader in the Chamber of Deputies Luis Eduardo Magalhaes (Bahia) said, adding that he is against the privilege of such groups. Despite his position, Magalhaes joined the group of lawmakers who acquitted PFL Deputy for Pernambuco Ricardo Fiuza in the Constitution and Justice Committee. Fiuza had been charged with irregularities within the Budget Committee.

At that moment the influence of those who were indebted could be felt, as a large number of congressmen owe favors to Fiuza.

In the opinion of the government leader in the Chamber of Deputies, Luiz Carlos Santos (PMDB-SP), the growth of these groups "is making politics, institutions, and parties unfeasible." According to him, the constitutional reform was a failure because the groups demanded favors in exchange for the approval of important modifications to the Constitution. To make the situation worse, some blocs—such as the rural bloc—tried to introduce their demands into inappropriate documents, such as the text of MP 457.

Smaller than the nationalist and rural blocs, the Health Parliamentary Front unites congressmen of all ideological trends, and insists principally on the allocation of funds to hospitals that have agreements with the Health Ministry. This bloc joined the rural bloc and made the government decide not to have MP 457 voted on in a plenary session.

The rural bloc always reacts by defending its financial interests. In several cases, however, the groups gather around different banners, be they political or religious. The Protestants, a group comprised of nearly 30 congressmen, are always ready to fight for the reestablishment of censorship on all means of communication or to request favors, particularly the allocation of national budget funds to their churches. When Congress was voting on a five-year mandate for then President Jose Sarney, almost all Protestants were given radio stations.

### Who Makes the Decisions in the Plenary Sessions

The multiparty blocs that defend group interests in Congress are:

- Nationalists—300 members: They affirm they have the majority of votes in the plenary sessions whenever issues that are of interest to them are being voted on. One of their main banners is to preserve monopolies. Their leaders are: Senator Josaphat Marinho (PFL-BA), and Deputies Miguel Arraes (PSDB-PE) [Brazilian Social Democracy Party-Pernambuco], and Haroldo Lima (PC do B-BA).
- Bank of Brazil—10 members: A small, but influential

bloc that always obtains the support of other congressmen when the privileges of the official bank are at stake. Their leaders are: Deputies Augusto Carvalho (PPS-DF) [People's Socialist Party-Federal District], Paulo Bernardo (PT-PR) [Workers Party-Parana], and Paulo Mandarino (PPR-GO) [Progressive Renewal Party-Goias].

- Protestants—30 members: In the last few years they have lost some of their power, but whenever the issue being voted on at a plenary session refers to religion or behavior, they still act as a bloc. Their leaders are: Deputies Maviael Cavalcanti (PP-PE) [Popular Party-PE], Costa Ferreira (PP-MA) [PP—Maranha], and Benedito Domingos (PP-DF).
- Judicial Branch, Attorneys—10 members: Few congressmen come from the attorneys' offices or the judicial branch, but these sectors are helped by deputies interested in defending their issues, such as Nelson Jobim (PMDB-RS) [PMDB-Rio Grande do Sul], Jose Luiz Clerot (PMDB-PB) [PMDB-Paraiba], and Nilson Gibson (PMN-PE) [National Mobilization Party-PE].
- Rural Bloc—206 members: It unites small and large producers in defense of the sector's profits. The group is headed by Deputies Ronaldo Caiado (PFL-GO), Odelmo Leao (PP-MG) [PP-Minas Gerais], and Jonas Pinheiro (PFL-MT) [PFL-Mato Grosso], as well as Senators Ronan Tito (PMDB-MG) and Saldanha Derzi (PRN-MS) [National Reconstruction Party-Mato Grosso do Sul].
- Union Leaders—30 members: Comprised mainly of leftist congressmen who began their political careers as members of labor unions. They are led by Chico Vigilante (PT-DF), Pedro Tonelli (PT-PR), Carlos Santana (PT-RJ), and Carlos Alberto Campista (PDT-RJ).
- Public Administration Employees—10 members: Although they have no expressive power in Congress, their group makes a lot of noise in the corridors. Their main leaders are: "Shi'ite" Maria Laura (PT-DF) and Trotskyist Maria Luiza Fontenelle (PSTU-CE) [PSTU-Ceara].
- National Health Front—200 members: They seek to have the widest program possible but have to face dissidence. A group led by Deputy Eduardo Jorge (PT-SP), who is a doctor, charges the front with being an instrument used by Chafic Farhat (PPR-SP), who defends the hospitals' interests.

## Workers Party Formalizes Lula's Candidacy

*PY0205132094 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 2 May 94*

[Text] After three days of deliberations, the Workers Party [PT] ended its ninth national meeting in Brasilia. Party delegates formalized the designation of Luiz Inacio Lula da Silva as PT candidate for the presidential elections on 3 October.

This is the first time the PT has adopted a more moderate position on the foreign debt. After the various party sectors reached a broad understanding, the government program established that a moratorium should be declared only after rejecting [contestar] the agreements that already have been approved and after negotiating with the international financial community.

Concerning abortion, the party decided that in the cases provided for by the law women will have the right to make use of public hospitals.

The ninth PT national meeting lasted three days. Lula said that despite the fact that the program does not reflect unanimity on some questions, the decisions were made by a considerable majority. He added that the war of election contenders will now begin, and that the PT will advocate a campaign without dirty practices:

[Begin Lula recording] I cannot engage in dirty practices. As I said at the beginning, we will not answer any mean attitude by our adversaries. [end recording]

As for the bugging of politicians' phones, Lula said he is not afraid of the use of such methods because he usually takes care of important conversations through personal contacts.

## Poll: More Support for Sarney Than Cardoso

*PY0305131694 Rio de Janeiro O GLOBO in Portuguese 30 Apr 94 p 28*

[Text] The results of a Vox Populi Institute poll were published on 29 April. It shows that former President and Senator Jose Sarney (PMDB) [Brazilian Democratic Movement Party] is the second most popular presidential candidate with 19 percent of the votes. He comes behind Luis Inacio Lula da Silva (PT) [Workers Party], who has 30 percent. Sarney is ahead of Fernando Henrique Cardoso (PSDB) [Brazilian Social Democracy Party], who has 15 percent. Between 23 and 25 April, the institute interviewed 3,100 voters countrywide. Just 10 days earlier, the IBOPE [Brazilian Public Opinion and Statistics Institute] released the results of its poll which showed Sarney in third place with 13 percent of the votes, Lula in first place with 31 percent, and Fernando Henrique Cardoso in second place with 16 percent.

Of the three PMDB pre-presidential candidates, Vox Populi only inquired about the support for Sarney and Orestes Quercia, leaving Roberto Requiao aside. Requiao received the least support in a poll about PMDB pre-presidential candidates only. When Quercia is included in the list of candidates, he occupies the fourth place with 5 percent of the votes, Lula receives 35 percent of the votes, Fernando Henrique Cardoso 16 percent, and former Governor Leonel Brizola 9 percent.

With the votes that were given to Sarney, the number of votes given to Lula decreased by five points, those given to Cardoso by one point, and those to Brizola by two points. Progressive Renewal Party candidate Espiridiao

Amin and Liberal Party candidate Flavio Rocha remained stable in their positions with 3 percent and 1 percent, respectively.

Brizola was chosen by 20 percent of those interviewed as the worst candidate on the list. The next worst candidate is Lula, who is rejected by 13 percent of the people. He is followed by Quercia (8 percent), and Sarney (7 percent). Fernando Henrique Cardoso is rejected by just 4 percent of those interviewed.

In three different projections about the second round—with Fernando Henrique Cardoso, Quercia, and Sarney as his rivals—the Workers Party candidate, Lula, wins. His tightest victory is over Sarney: 40 percent to 32 percent.

### Ricupero Views Economic Prospects

*PY0305135694 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 May 94 p B4*

[Interview with Finance Minister Rubens Ricupero by reporter Celia Chaim; date and place not given]

[Text] [Chaim] With the implementation of a new currency, will Brazilians finally have a functional economy?

[Ricupero] I am very optimistic about what will happen in the short-term because all steps to make stability a reality have been taken. We have ensured the fiscal reform through the Social Emergency Fund. There is pressure and there are difficulties but I believe we will achieve a good operational result in the budget. We have the largest reserves in our history and they are enough to cover our imports for 12 months. We have reached agreement about our debt and reopened the doors to the international market. We are even preparing a Treasury certificate. I have appointed a working team to define the details of this certificate. Through it, we will be able to attract resources at lower interest rates in the domestic market. We have also had unprecedented crops: 75 million tonnes. Following the 1992 recession, the economy has grown 4.5 percent during the last 15 months. International conditions are improving. There is a large group of favorable indicators that convinces us that when the real is implemented, the inflation rate will drop in a swift and accentuated manner.

[Chaim] How will this happen?

[Ricupero] The inflation rate will drop for several reasons. Particularly because the de-indexation of the economy will be very advanced. We believe the inflation rate will begin to drop in an accentuated manner after the second month.

[Chaim] Will it be possible to maintain the inflation rate at very low levels for a long time?

[Ricupero] Until the end of this year, I am sure it will. My main concern is about the medium- and long-term. The government has never hidden that the consolidation of the economic adjustment will demand structural reforms that will require modifying the Constitution. This is why I made such a big effort to see the constitutional reform continue—not to benefit from it. Even if the constitutional reform had been very well advanced, its effects would only begin to be felt in the medium-term. My effort sought to make things easier for my successor.

[Chaim] How will you convince Autolatina [car-manufacturing company] workers, and all other workers, that despite the increase in prices, salaries need not be readjusted?

[Ricupero] As I have frequently said, it is an illusion to think that salary hikes obtained through strikes will solve that problem. These excessive increases—as much as 19 percent—currently being granted worry me. The worker rejoices, the inflation rate is pushed up, and shortly after that the salary increase is consumed. What you achieve with your left hand, the right hand—inflation—destroys. People must realize that the only salvation is stability, which is the pre-condition for growth because economic growth depends on investment. With inflation like ours, there is no investment. In 1992, our investment rate dropped to 14.5 percent of the GDP, while in the 1970's it stood at 25 percent, like that of the Asian Tigers.

[Chaim] You have just eight more months in the government. Do you have time to do something more concrete in such a short period of time?

[Ricupero] I believe there is time enough to reestablish a very high-level of stability in the economy.

[Chaim] How?

[Ricupero] We will adopt rules for the new currency that will create confidence about issuance control. We will also adopt rules to link the real to international reserves. At the same time, I will not limit my horizon strictly to the implementation of the stabilization plan, which is my main task: I will act in two areas that need defined policies; first I will define an industrial policy that can be competitive abroad. I plan to do that together with the Science and Technology Ministry and the Industry and Commerce Ministry. Our commercial opening lacks one detail: an industrial and competitive policy. At the same time, I want to enter the job policy area, although this area is not the responsibility of my ministry only. The best way to solve social problems is first, to put an end to inflation and second, to create jobs. I believe a lot can be done in eight months regarding policy definition...

[Chaim] What is the job-generating policy that you intend to implement?

[Ricupero] The main subject in all economies is the job issue. The problem has not been solved either by market or by socialist economies, which alleged attained full employment but based on a surplus—a company that needed 100 employees has 300. I think Brazil—beside supporting the many different small and middle-size enterprises, and gradually reducing taxes—must face a very serious

problem which is the very high cost of generating job openings, the so-called social cost. We, in Brazil, with our poor economy, have higher social costs than Denmark. What is worse, our social services are very bad. For every dollar a Brazilian businessman pays in salaries, he pays 81 cents for social benefits. We must thus convince the left and the labor unions that this situation cannot improve the workers' wellbeing. The path to the wellbeing of workers is via a productive sector that generates abundant, well paid, and good quality jobs. That is how the social matter must be solved.

[Chaim] But there are powerful sectors that benefit a lot from inflation and which are against stability...

[Ricupero] There are sectors that coexist and even prosper under an economy like ours. We must create the conditions to end this situation. Brazil must attain a stability like in Europe, where it is a vindication of the people. I feel there is hope for such a thing here. During the Cruzado Plan, with all its mistakes, there was great pride in being Brazilians, the people felt they had a strong currency. There is no reason why this should not happen again. That is why I asked the president to announce the new currency. The currency is a symbol of sovereignty.

[Chaim] What is the acceptable inflationary expectation for the real?

[Ricupero] I cannot give you a figure. It is difficult to calculate, mainly because Brazilian indexes measure past inflation. It is very complicated to explain that the first indexes of the real will measure inflation from the former month. That is why I cannot answer. But inflation will be very low after the second month.

[Chaim] How will you prevent businessmen from excessively readjusting their prices?

[Ricupero] By negotiating, by using the law we have, and by increasing competitiveness.

[Chaim] But this formula has not worked very well.

[Ricupero] It is my responsibility to administrate the economic plan. I believe the plan belongs to everyone. I do not see any contradiction between the interests of a candidate and the plan's consistency. Anyone who wishes to become president will find an economy on the way to stabilization. Even Lula said that. It is obvious. It is better to be Rodrigues Alves [Brazilian president from 1902 to 1906] than to be Campos Sales [Brazilian president from 1898 to 1902]. Campos Sales left Catete Palace [then Government House in Rio de Janeiro] booed by the public until he boarded the train for Sao Paulo. Rodrigues Alves was popular because he inherited a streamlined economy and he was able to do many things. Which do the candidates prefer?

## Franco Modifies Measure on Real Value Unit

*PY0205140494 Rio de Janeiro O GLOBO in Portuguese 29 Apr 94 p 25*

[Excerpt] Brasilia—President Itamar Franco on 28 April signed a new version of the provisional measure that creates the Real Value Unit [URV] and the real. He introduced it with two modifications that had been negotiated with Congress: First, the guarantee of covering, beginning 1 July, any possible loss in purchasing power of salaries converted into URV's. This will be done if there is really any loss compared to the previous salary policy. Second, to ensure that the rules for issuance of the real comply with all legal demands and that the real will be implemented through a presidential decree. Provisional Measure No. 482, which was published in the official gazette today, does not establish a date for the new currency's implementation. Congress will have one month to vote on this provisional measure.

Although the economic team defended the idea of reissuing Provisional Measure No. 457 without modifying it, the opinion of the government's political area prevailed. In the afternoon of 28 April, Finance Ministry executive secretary Clovis Carvalho stated: "Everyone believed the original text should be preserved." He pointed out, however, that it was up to Finance Minister Rubens Ricupero and the president of the Republic to make the final decision on the issue. Ricupero's chief of staff, Sergio Amaral, said the finance minister offered President Itamar Franco the two alternatives. [passage omitted]

## Collateral of $2.4 Billion Put Up in Talks

*PY0205170494 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Apr 94 p B5*

[Article by Nelson de Oliveira]

[Text] Brasilia—Central Bank [BC] President Pedro Malan confirmed on 28 April that Brazil spent nearly $2.4 billion in the purchase of securities given as collateral for the debt rescheduling agreement with foreign private banks on 15 April. Malan explained that U.S. Treasury bills were purchased as collateral for Brazil's external debt principal. The average unit price of the T-bills that will mature in 2021 and 2022 was $0.153 per dollar. The real cost of the transaction was not disclosed.

Malan explained to the Senate Economic Affairs Committee that the securities were bought on the international secondary market after the U.S. Treasury's refusal to put out a special issue for Brazil as long as the country did not sign at least a short-term agreement with the IMF. As the purchase of such a volume of securities could have prompted much speculation and caused Brazil great losses, the BC bought them little by little in deals that were arranged with the utmost secrecy between December 1993 and March 1994.

The purchases were made from top-notch institutions that usually operate with Brazil. It is not known how

many banks—Brazil does not operate with brokers—participated in these transactions.

Malan guaranteed that Brazil was not burdened with the payment of surcharges and commissions. The profit obtained by the sellers was based only on the difference between the purchase and selling price of the T-bills. Besides the $2.4 billion as collateral for the principal, Brazil had to disburse $373 million as collateral for interest. This latter amount was invested in bonds placed on the market that will yield semi-annual interest.

The BC president told senators that Brazil will institute a more efficient management of its foreign exchange reserves. Now that an agreement with creditor banks has been reached, the country will not only be able to place reserves at higher interest rates, but also may repurchase and resell the T-bills that were issued on 15 April based on market quotations.

With the exception of Senator Eduardo Suplicy (PT-SP) [Workers Party-Sao Paulo], the committee members at the hearing were satisfied with the agreement's terms.

### Lampreia To Chair WTO Group on Trade, Environment

*PY0205203694 Rio de Janeiro O GLOBO in Portuguese 30 Apr 94 p 28*

[Report by correspondent Deborah Berlinck in Geneva]

[Text] Brazilian Ambassador Luiz Felipe Lampreia was yesterday elected chairman of a group of countries that will propose a number of recommendations on trade and environmental issues to the future World Trade Organization (WTO). These issues could generate a great many controversies for the future organization, as several countries—Brazil included—are afraid that some countries, like the United States, could use environmental protection to erect new protectionist barriers.

The WTO, which will start functioning in January 1995, will regulate all of the agreements reached during the Uruguay Round of the GATT talks and approved this month in Marrakech, thus putting an end to the most ambitious global GATT negotiations to liberalize world trade in history. The mission of the group, led by Brazil, is to pave the way for the WTO to reach an agreement to reconcile the requirements contained in the many environmental protection treaties, including those approved in the Rio-92 Conference, with trade regulations.

This will not be an easy task. American environmentalists, for instance, do not want the issue discussed at the WTO, claiming that trade interests will prevail and that environmental standards will suffer. It is the pressure of these environmentalists that is forcing shrimp catchers in the Brazilian northeastern region to install a new device in their fishing nets to avoid the risk of killing turtles while catching shrimp. A U.S. law protecting turtles enables the U.S. Government today to ban imports of Brazilian shrimp.

In 1991, the United States banned imports of Mexican tuna fish over the use of inappropriate nets that were risking the lives of dolphins. The case was taken to GATT, but Mexico itself withdrew the case later when it was trying to join NAFTA.

### Launching of Data Monitoring Satellite Announced

*PY0205201794 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Apr 94 p A6*

[Article by Julio Ottoboni]

[Text] Sao Jose dos Campos—Brazil has increased the scheduled activities of the MCEB [All-Brazilian Space Mission]. A third data monitoring satellite (SCD-3), which is not included in the original schedule, will be placed in orbit in the first half of 1996. This satellite will test the first national voice-operated command systems [primeiros sistemas nacionais de comando por voz], which will be created for the group of satellites on low-altitude equatorial orbits—the ECO-8—which the Brazilian Space Agency considers a priority. In addition to giving continuity to the process of environmental data collecting work that began with SCD-1, the new satellite will fulfill agreements with Latin American and African countries.

The Brazilian space program was scheduled to operate with two data monitoring satellites (SCD-1 and SCD-2), two remote sensoring satellites (SSR-1 and SSR-2), and the Satellite Launch Vehicle (VLS). The SCD-1, which was placed in orbit in February 1992, is operating beyond its planned useful life, while its successor is being tested at Inpe (National Institute of Space Research). The SCD-2 should start operating in 1995. The SSR series is behind schedule. The SCD-3 will compensate for this delay and feed the environmental data network until the launch of the first satellite in the program of cooperation with China (CBERS) [China-Brazil Earth Resources Satellite].

Inpe Director General Marcio Nogueira Barbosa has said that this year he will receive an additional $3 million budget allocation for immediate construction of the SCD-3. "The Space Agency is obtaining the funds," he said. The technicians at the scientific center are replanning the other satellites to match the expansion of the MECB.

The satellite will test the voice communication center that will operate in the ECO-8. The estimated cost of the new satellite is $14 million. Brazilian Space Agency President Luiz Gilvan Meira has said that this will adjust the deadlines for current Brazilian scientific needs.

### 'Controversial Operation' in Atomic Market Viewed

*PY0205140394 Sao Paulo ISTOE in Portuguese 27 Apr 94 p 16*

[Text] In a controversial operation, which is suspicious in some experts' opinion, Brazil is participating in the explosive international atomic market. On 20 April, ISTOE

learned about a deal (renting yellow cake [two preceding words in English] and enriched uranium to the U.S. enterprise Nuexco) that left the Brazilian strategic reserves at zero. Some suspect that Brazil may be indirectly feeding an Iraqi or Iranian atomic bomb. Others warn about the risk Brazil is running of being the victim of a "nuclear swindle [calote nuclear]." Brazilian Nuclear Industries (INB) President Roberto Franca celebrated the transaction as the first step toward the financial independence of the state-owned uranium-producing company: "I made an open commercial transaction through bidding." For $1.7 million, the INB rented out the fuel for periods ranging from six to 18 months. The fuel will begin being returned in August. Nuexco sent the Brazilian fuel to Canada. Professor Bernardino Ponte, who was an International Atomic Energy Agency surveyor for 12 years, found the news strange. He said: "Canada does not use uranium oxide produced by Brazil, which has a low concentration." To those who want to solve the mystery, professor Ponte suggests they read the book YELLOW CAKE [two preceding words in English] by journalist Alexandre Baumgarten, who was murdered in 1982. In the book, the journalist discusses the trafficking in Brazilian uranium to be used in the production of atomic bombs in Iraq, Iran, and India. Strategic Affairs Secretary Admiral Mario Flores told ISTOE on 22 April: "I do not believe Canada would accept playing this sort of role. Canada is one of the most active controllers of the use of nuclear energy." Adm. Flores was asked about the issue before the business was closed. The INB president confirmed: "I believe the material was really transferred to Canada because part of the fuel that was stored in Brazil was shipped to Canada." According to Franca, what Nuexco did with the fuel is not Brazil's problem. Corvette Captain Sergio Porto da Luz, adviser to the Chamber of Deputies National Defense Committee, doubts the negotiation's strategic virtues. The problem is that the 200 metric tons that must be returned in August are crucial for the production of pills to recharge Angra-1. This operation is expected to take place in the beginning of 1995. "The U.S. company may not have fuel available at the established moment and decided to pay us for it in cash," Porto da Luz fears. Franca answers: "Nuexco has given us all guarantees, particularly because it has its own mines." The funds from the transaction have been used to reactivate the Pocos de Caldas mine. By July, the pills stock will have been reduced to 80 metric tons, which is less than half the pills necessary to recharge Angra-1.

## Chile

### Carabineros' Stange Requests Extension of Leave

*PY0305021994 Santiago LA TERCERA DE LA HORA in Spanish 24 Apr 94 p 6*

[Excerpt] Carabineros Director General Rodolfo Stange yesterday asked Defense Minister Edmundo Perez Yoma for two months' leave without pay after the leave permit he is currently enjoying expires. Minister Perez accepted the request.

This information was disclosed by the Defense Ministry in a brief communique of four and a half lines.

General Stange will thus remain outside the Carabineros institution for another 60 days after his leave permit is over.

It should be recalled that Defense Minister Perez Yoma had stated in Concepcion that Stange's vacation was for an "indefinite" period of time.

Carabineros Deputy Director Fernando Cordero Rusque is currently carrying out Stange's duties in his place.

Stange went on leave after special Judge Milton Juica condemned 16 Carabineros officers and one civilian to sentences ranging from 61 days to life imprisonment for the abduction and murder of communist leaders Jose Manuel Parada, Manuel Guerrero, and Santiago Natino, for the abduction of several leaders of the former Agech [Chilean Educators Association], for the abduction of Ramon Arriagada, the wounding of professor Leopoldo Munoz de la Parra with a bullet, and for the unlawful association for terrorist purposes, among other crimes.

After Judge Juica's ruling was disclosed, President Eduardo Frei met on 5 April with Stange at La Moneda Palace. Frei allegedly asked Stange to resign, but at the end of the meeting the Carabineros director said: "I am not resigning."

On 8 April Stange went on leave, which prompted a polemic between the Carabineros and the government. According to the Carabineros, Stange was taking a regular 30 day vacation, while the government maintained he would be on leave for an "indefinite" period of time. [passage omitted]

### Drug Enforcement Accord With Jamaica Promulgated

*PY0305012294 Santiago EL MERCURIO in Spanish 26 Apr 94 p C5*

[Text] Through the publication of a decree in the official gazette yesterday, the Foreign Ministry promulgated an agreement with Jamaica for the prevention, control, surveillance, and repression of the illegal consumption and trafficking of drugs and narcotics.

The agreement is signed by former President Patricio Aylwin. It was approved by Congress as stated in Resolution No. 1280 of the Chamber of Deputies.

The two governments are aware of the problems stemming from drugs, including the deterioration of economies and the harm to peoples' health.

The idea is to establish a permanent mechanism that will allow Chilean and Jamaican authorities to exchange information related to drug trafficking.

## Colombia

### U.S. Protest on De Grieff Remarks Rejected

*PA0305041694 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0156 GMT 3 May 94*

[Communique issued by the Foreign Ministry in response to U.S. Senator John Kerry's protest note; place and date not given—read by announcer]

[Text] The Colombian Government, although it disagrees with the prosecutor general on some points, cannot accept whatsover doubts are being cast on its motives or its determined and unchanging commitment to reach the common goal of fighting crime in general and fighting drug trafficking in particular. In addition, the Colombian Government, because it believes the necessary climate of constructive understanding between the two governments is not being served, flatly rejects the fact that a political leader, in this instance Senator John Kerry, has used his post and the post's inherent prerogatives, such as the legislative branch's political control procedures, to grant privileges to, listen to, and believe false charges by a confessed criminal against Colombia, its institutions, the private sector, and even the media. Such a position represents an attack on Colombian society and its authorities because it casts a shadow of suspicion and implies corruption, or at least general complicity with drug traffickers, in a country which is well-known to have made the greatest possible sacrifices and which has achieved the greatest results in the struggle against this scourge.

The Colombian Government expects that judicial cooperation between the two countries can return to normal and that the channels of dialogue, exchange of ideas, and joint work between judicial authorities of the two countries can be kept open. To achieve this, the best possible joint efforts should be made to overcome any disagreements resulting from the difficulties inherent in the handling of such a complex matter.

Finally, the Colombian Foreign Ministry wants to underscore the importance of cooperation because the absence of this can benefit only our common enemies—those interested in fanning the fires of discord and (?putting obstacles) in the path of justice.

[Signed] Foreign Minister Noemi Sanin

### Official Explains 'State of Internal Disturbance'

*PA0205141294 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 2 May 94*

[Telephone interview with Vladimiro Naranjo, magistrate of the Colombian Constitutional Court, by unidentified station announcer; place not given; from "Caracol's 0600 to 0900" newscast—live]

[Text] [Announcer] Good morning, Dr. Naranjo. Would you explain the procedures that will be followed in the Constitutional Court in terms of juridical control following the state of internal disturbance the government decreed yesterday to prevent an important group of dangerous narcotraffickers and others charged with subversion and terrorism from leaving prison?

[Naranjo] The procedure is established in the Constitution. Decrees that acquire the status of legislative decrees the government issues in exercising Article 213 are passed to the Constitutional Court for review of constitutionality; it is an automatic review.

[Announcer] Can the Constitutional Court analyze reasons of advisability or nonadvisability?

[Naranjo] The Constitution is clear on attributing the authority to evaluate the circumstances that warrant the declaration of an internal disturbance to the government; in other words, it is the government that supposedly has the basic authority needed to conclude a state of internal disturbance must be declared whenever there is a serious disruption of public order, which in the government's opinion imminently attempts a compromise of institutional stability, state security, or the coexistence of citizens. The government must determine such elements.

[Announcer] How much time does the Constitutional Court have to make a pronouncement regarding the state of internal disturbance? We understand that before it does so, the Attorney General's Office must also state its position. Is that correct?

[Naranjo] Correct. The court has a regular period of 60 days to decide. In cases of states of internal disturbance, as in this case, those terms are reduced by one-third, or 20 days. As you noted, the Attorney General's Office must give prior consent. For that, there are 30 days, but by reducing this by one-third we are left with 10 days.

[Announcer] The declaration of a state of internal disturbance is becoming a recurrent problem to prevent dangerous inmates from leaving prisons. Is this due to the Prosecutor General's negligence or delayed action?

[Naranjo] I would not like to comment on that yet. As you can understand, we must make a pronouncement on this subject, but we cannot state our opinions at this time.

### Minister Backs UK Investment Protection Treaty

*PA0205221694 Santa Fe de Bogota EL TIEMPO in Spanish 26 Apr 94 pp 1, 2c*

[Text] Cartagena—According to Foreign Trade Minister Juan Manuel Santos, if the Constitutional Court does not approve the investment protection treaty signed with the UK, they will have to reform the Constitution. In his opinion, the government has the necessary legal arguments to help the treaty pass the juridical test, and it cannot sit back with its arms crossed while other countries are signing investment protection treaties. "The

new Constitution is being tested, and if the treaty with the UK is not approved, Colombian will be left in a very complicated position."

Santos defended the Foreign Investment Protection Agreement signed with the UK. He added, however, that the Shell Company cannot use the treaty to support its case in its conflict with the government over the termination of Shell's contract in Neiva. The oil company has already presented its legal case on the basis that an acquired right has been violated. The treaty cannot be applied to such a case. "Colombia did not yield when it signed the treaty with the UK. It only put the regulations currently in effect into one agreement to provide greater stability for investors," Santos added.

**Free Commerce**

As new ECLA [Economic Commission for Latin America] president in the 25th period of sessions, Foreign Trade Minister Juan Manuel Santos will establish a hemispheric free trade zone, the inclusion of the social sector in the economic opening process, and the recovery of ECLA's leadership his priorities

According to Santos, ECLA can become a vital force to promote social development in the region. He said: "The benefits derived from development programs must be distributed equitably. If they are not, the programs lose legitimacy."

Approximately 200 million Latin Americans and Caribbeans (out of a total of 450 million) currently live in a state of absolute poverty. According to Santos, this indicates that although "the opening has been implemented and there are interaction agreements between 22 countries, the importance of the social sector has not been emphasized."

Regarding the Latin American integration agreements, Santos asserted that they must converge in the establishment of a free trade zone at the continental level, a process in which ECLA could play an important role. "We must confirm the agreements so all countries are speaking the same language. We have to find a common denominator for rules on the origin of merchandise and antidumping [previous word in English] laws, among other topics," Santos stated.

Regarding Colombia's entry into the NAFTA signed by Mexico, the United States, and Canada, Santos said they will leave everything ready for the new government to enter that group. "We have already agreed that Colombia is an ideal candidate to enter the treaty, and we want to be on the list of countries that will enter it first. The next administration, however, will set the date and the conditions for our entry," the minister stated.

On the Group of Three problems, he reported that they will hold a meeting next week to reach an agreement on the two areas that have sparked differences: rules on origin of merchandise in the textile and chemical sectors.

## Ecuador

### President Announces Restructure of Foreign Debt

*PA0305045294 Quito Radio and Television Networks in Spanish 0132 GMT 3 May 94*

[Speech by President Sixto Duran-Ballen; place and date not given—live or recorded]

[Text] Fellow citizens: Tonight, it is my pleasure to announce that after a complex negotiating process, my government has reached an agreement with international commercial banks that will finally allow us to restructure the Ecuadoran foreign debt. The national government, faithful to its historic duty of transforming the country and with a firm determination to seriously manage state problems, could not allow Ecuador, because of its status as a repeatedly delinquent debtor, to become unworthy of international trust and to face serious difficulties in its relations with friendly countries and international financial organizations.

Fellow citizens, in the current issue of a very prestigious publication, Ecuador topped the list of countries in international arrears for the longest time. If one considers the periods during which Ecuador has not kept its international commitments, as it has been doing for the last (?seven) years, you can see that the country has been in arrears for 112 of its 164 years of republican life.

What has all of the above cost us? It has given us a country with enormous problems attracting foreign investment, creating sources of employment and production, obtaining technology to progress and vigorously incorporate ourselves into a world that is increasingly more competitive and demanding; a country with serious problems obtaining credits; a country that must resort to costly loans because of the high-risk status that a country in arrears represents; a country without the capability to generate the necessary domestic and foreign capital to promote great projects for its development; and a country that has seen a substantial reduction in opportunities for the progress and well-being that we all desire.

Ecuador could not continue like that. If we needed to promote foreign investment, if we wanted to obtain new technologies, if we wanted to create new job sources, and if we aspired to enter the international capital market as a basic condition for developing our potential, we had to reach an agreement with our private international creditors. That is why I instructed the economic front to undertake the negotiations and to obtain an advantageous agreement with our creditors that would not commit more resources than those the country was prepared to make available for that purpose. As every action of my administration, I ordered a restructuring of the foreign debt with private creditors under the most advisable terms for the country, making sure that the agreement would not place financial pressure on future governments. Our proposals were accepted, allowing me to announce today that Ecuador has reached an advantageous agreement with its private creditors.

We have agreed on terms and discounts better than those generally obtained by Latin American countries that have reached agreements of this type. We have obtained clearly favorable conditions, even though Ecuador had a long record of noncompliance and one of the highest rates of overdue interests payment on its obligations. We have restructured the capital debt for 30 years with a 45-percent discount. We have refinanced accrued interest for 20 years with a very good interest rate and a 10-year grace period. With this agreement, we have ensured that the country will not be pressured in the future regarding its ability to make payments.

Fellow citizens, I make this announcement with great satisfaction because it marks a decisive step toward our permanent objective of resolving the greatest national problems. The decision I have adopted is a clear demonstration that I am running a serious and responsible government that works for the future and does not act for momentary political [word indistinct].

Fellow citizens, we have resolved a problem that affected everyone, absolutely everyone, because it prevented real social and economic development despite our great potential.

This evening, upon giving you this important news, I reiterate that I will continue working for the country's welfare and to give you definitive solutions to national problems, solutions that have been irresponsibly deferred. I insist that I work to build a better Ecuador for future generations. This is a commitment I have to you, Ecuadoran people. Thank you very much.

### Opposition Said To Increase Majority in Congress

*PA0205152494 Madrid EFE in Spanish 1359 GMT 2 May 94*

[Text] Quito, 2 May (EFE)—The Ecuadoran opposition increased its majority in Congress and dealt a strong blow to the conservative government, which only obtained seven of 65 seats in the legislative elections held on 1 May, according to an unofficial vote count of 89.5 percent of the votes revealed today.

The populist right-wing Social Christian Party (PSC), received the most votes, 19 percent, and won 22 seats, according to figures provided by the local media (the Supreme Electoral Tribunal will only give final results by the end of the month).

Second place went to the populist Ecuadoran Roldosist Party (PRE), which won 10 seats. Third place went to the Maoist Democratic People's Movement (MPD). The social democrat Democratic Left Party (ID) won six seats and the Christian democrat Popular Democracy Party (DP) won five.

President Sixto Duran-Ballen's Republican Unity Party (PUR) only obtained two seats, and Vice President Alberto Dahik's Conservative Party (PCE) obtained five.

According to the Quito newspaper EL COMERCIO, there was a high percentage of nullified votes (18 percent).

## Paraguay

### Tanks, Armored Vehicles Move Closer to Asuncion

*PY0205154594 Asuncion RPC Television Network in Spanish 1438 GMT 2 May 94*

[Video report by correspondent Arnaldo Gonzalez—live]

[Text] Thank you very much. We are again reporting from the entry to Puente Remanso where we are watching the famous Cacavel and Urutu tanks as they arrive on their way to Asuncion. There are approximately 20 tanks with turrets and other armored vehicles. The units are coming from Cavalry Regiment No. 2 of Cerrito.

We are counting the vehicles. They are two, four, six, eight, 10. There are approximately 20 tanks and vehicles manned by soldiers in a state of readiness. Perhaps our cameraman Quinonez could show the soldiers. [video focuses on passing vehicles] Vehicles continue to come from Cerrito. We will go after them in order to find out where they are heading.

It is important to note that we have been told that more tanks are coming from this area. This is the first place from where tanks are being sent. Another group of military vehicles has gathered at the bridge's head and now are heading for Asuncion. We believe they are heading for the Campo Grande Cavalry unit. We will see what they will do.

[Studio announcer] It still remains to be seen whether this is part of normal maneuvers or a special mobilization. This morning, Defense Minister Hugo Estigarribia said the Armed Forces are ready to intervene in the ongoing national strike, if requested. No official information has been released yet on this tank movement. [The same television station reports at 1455 GMT that the tanks and military vehicles have entered the RC-4 Cavalry Regiment headquarters in Loma Pyta, about 10 kms from Asuncion.]

### Tank Movement Said Precautionary

*PY0205155294 Asuncion RPC Television Network in Spanish 1510 GMT 2 May 94*

[Telephone interview with Armed Forces Information Directorate Colonel Carlos Medina Monjagata by RPC anchorman Christian Nielsen—live]

[Text] [Nielsen] At this point, we can supply our viewers official information about this morning's deployment of armored vehicles from Cerrito to the 4th Cavalry Regiment base. We have Colonel Carlos Medina Monjagata from the Armed Forces Information Directorate on the phone. Good morning, colonel.

[Medina] Good morning, Mr. Nielsen and the same to your kind viewers. Mr. Nielsen, first, I would like to thank you for this chance you have given us to keep the people informed about the deployment of armored vehicles from the 2d Cavalry Regiment headquartered in Cerrito.

The deployment's purpose is to bring our material closer to the capital city so as to be able to comply with any order to help out the National Police if they are overwhelmed by violent actions related to ongoing events. The purpose of this information is to assure the citizenry that the Armed Forces will leave its barracks only if ordered to do so and only if it becomes absolutely necessary.

[Nielsen] Was this deployment part of the plans drawn up in advance to deal with today's situation?

[Medina] That is correct; the Armed Forces are always ready and prompt to help re-establish public order—provided, I repeat, they are ordered to do so—and help out the National Police if they are unable to carry out their mission because they are overwhelmed.

[Nielsen] For the time being, you are not contemplating having to deal with disturbances bigger than those that have been taking place so far?

[Medina] From what we could see and hear through the news media, no serious disturbances are taking place. For the most part, they seem to be rather unimportant. Thus, we believe that everything that is taking place is in keeping with the law, but this does not mean that we should not be ready and prepared to help—if ordered to do so—the National Police.

[Nielsen] Thank you very much, colonel, for this official information, the first we have had since the deployment of armored vehicles was first spotted this morning. Thank you for your kindness.

[Medina] Thank you, Mr. Christian Nielsen.

### Peasant Leader Killed, Journalists Injured

*PY0205164094 Asuncion RPC Television Network in Spanish 1530 GMT 2 May 94*

[Text] Peasants and police clashed near Tacuara, San Pedro Department. In this clash, peasant leader Sebastian Larrosa was shot to death. This information was confirmed at the San Estanislao Clinic. ABC COLOR journalist Mariano Godoy, the RPC cameraman and correspondent in Coronel Oviedo, and peasants Sixto Portillo and Melanio Noguera also were injured in the fracas.

### Interior Minister: Most Companies 'Working Normally'

*PY0205161894 Asuncion RPC Television Network in Spanish 1520 GMT 2 May 94*

[Report from the Justice and Labor Ministry by Anibal Gomez—live]

[Excerpt] [Gomez] Yes, Mr. Nielsen, a meeting between Interior Minister Carlos Podesta and the justice and labor minister has just ended. Mr. Interior Minister, what can you tell us; is there something new?

[Podesta] We have been looking at the information the justice and labor minister has received on all the firms and companies throughout the country and we have seen that more than 75 percent of all companies throughout the country are working normally. This is very positive because it means that most companies have respected the rights of both those who wanted to strike and those who did not.

[Gomez] Is this information objective, Mr. Minister?

[Podesta] Let us not waste any time.

[Gomez] I am asking you this question because the union leaders are saying something else...

[Podesta, interrupting] That is all right, but your question is...[pauses] You have my report and I will not start casting doubts on my own report.

[Gomez] What is your objective, Mr. Minister? Are you trying to say the strike was not successful?

[Podesta] That is really irrelevant. The objective is to take advantage of the news media's goodwill and work to keep the people informed.

[Gomez] What will be the result of all this, and what will be the government's reaction to this?

[Podesta] Nothing will come out of this, and the strike is a very important event. The union leaders and the people who have supported the strike have had the opportunity to exercise their right to demonstrate and those who do not agree with them are working normally.

[Gomez] Mr. Minister, although we already have official information on this, it is somewhat frightening to know that these tanks are ready to move in if the National Police were to ask...

[Podesta, interrupting] I cannot believe that you can be so biased, even though your medium is on the side of the strikers and I have noticed that you journalists are wearing T-shirts supporting the strike. Even so, I do not believe you can be so biased not to realize that union leaders and strikers have been aggressively trying to hamper transportation, to prevent downtown stores from opening, to close streets. Well, if one looks for something one is bound to find it. The state will not give up its right nor will it fail to do its duty to preserve public order. That is all there is to it. [passage omitted]

### President Departs for Brazil, Views Strike

*PY0205151194 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1337 GMT 2 May 94*

[Report by reporter Manny Cuenca from Silvio Petirossi International Airport—live]

[Text] Paraguayan President Juan Carlos Wasmosy has arrived at the international airport's military base and soon will board the plane that will take him to Brazil. He is traveling with his wife and some of his ministers. Wasmosy will fly to Uberaba, Brazil, where he will be decorated for his work with the International Federation of Zebu Cattle Breeders. He will also meet Brazilian President Itamar Franco on 3 May, although there was initially some doubt about this meeting given the official mourning declared in Brazil over the death of car racing champion Ayrton Senna. Sources close to the president have confirmed that the meeting will take place.

The president was actually supposed to leave for Brazil on 1 May but he is leaving today. The plane is ready and the president is saying goodbye to ministers, high-ranking military officers, and Colorado Party leaders.

[Begin Wasmosy recording] Messrs. journalists, as I have told you before, we are respecting and will continue to respect the rights of the strikers and will protect them, but they do not have the right to close streets, highways, set tires on fire, and other things. We will not allow this because both strikers and those who do not want to participate in the strike have the same rights. It is the government's duty to keep streets and highways open to traffic. This is our duty and we will do it. Thank you. [end recording]

This was President Wasmosy on his way to the plane, reiterating the position that several ministers stated a few minutes ago at Government House. The president now is boarding the plane with his wife, Teresa Carrasco, and the agriculture and livestock minister. As you have seen on the screen, President Wasmosy's plane has started rolling and this is the end of our report.

## Peru

### Foreign Minister Departs on European Tour

*PY0205185194 Madrid EFE in Spanish 2334 GMT 30 Apr 94*

[Text] Lima, 30 Apr (EFE)—Peruvian Foreign Minister Efrain Goldenberg today departed for Europe at the head of a business delegation. Goldenberg will sign economic agreements in Stockholm (Sweden), Milan and Rome (Italy), Bern and Zurich (Switzerland), and Vienna (Austria).

The minister's delegation is made up of Arturo Woodman, chairman of the businessmen's association; Ricardo Marquez, chairman of National Industrial Society; Jose Luque, chairman of the Lima Stock Market; Juan Lira, chairman of the Peruvian Tourism Fund; Roberto Levaggi, chairman of the Peruvian-Italian Chamber of Commerce; Augusto Cilloniz, chairman of the Association of Agricultural Entrepreneurs; Manuel Llosa, director of the Investment Bank; Carlos Reategui, a New Majority congressman; and Mining Society and Banking Association representatives.

Foreign Minister Goldenberg will meet his Swedish counterpart, Margaretha Ugglas, and hold contacts with Swedish banks.

The Peruvian minister of industry, tourism, integration, and commerce will meet the mission in Switzerland and Austria.

### Congressional Committee Approves 'Habeas Data' Bill

*PY0205210394 Lima EXPRESO in Spanish 15 Apr 94 p A 3*

[Text] Although it was not on the agenda, the congressional Constitution Committee yesterday approved a draft bill regulating the use of, and procedures for filing, habeas data petitions in court. If Congress approves the draft bill, habeas data cases will be heard only by civil courts and not by criminal courts.

The draft law was submitted by Carlos Torres y Torres Lara, chairman of the Constitution Committee, who announced that the bill will be debated by the Congress plenum today.

Although government and opposition blocs in Congress agree on the need to define this subject as soon as possible to eliminate any possible threat to the freedom of press in Peru, the diverse positions on the subject prompted a heated debate.

In the end the majority approved the proposal to regulate the habeas data right through a specific law, while the minority demanded that the habeas data be eliminated from the text of the Constitution.

The proposal to regulate habeas data was finally approved by a 7-6 vote.

The draft bill is divided into seven articles and one transitory measure.

The first article states that, until a specific law is approved, habeas data cases will be heard by a civil court near where the alleged offense took place.

The second article states that media organizations are required to correct earlier reports without delay—within three days—and proportionally to the original report. In case of disagreement, a judge will decide when the correction must be published.

Procedures set forth for the constitutional right of Amparo (with the exception of the provisions of Article 11 of Law No.23506, as outlined in Article 3 of the bill) will be applicable to habeas data petitions in case of procedural loopholes.

The only transitory article of the bill states that if a habeas data petition is filed before a criminal court, it should be turned over to a civil court.

The great majority approved the draft bill which Torres y Torres initially submitted to Congress in October, but which he submitted again yesterday after revising it and updating it.

Torres y Torres feels that because this tool is new to Peruvian law, it should be regulated by a transitory law to give the nation time to gain experience before drafting a specific law.

Torres y Torres asserted that the Constitution states that habeas data cases must be heard by civil courts in accordance with the procedures set forth in a writ of amparo and this is why criminal courts have turned down every habeas data petition filed before them.

Torres y Torres voiced confidence that this bill will dispel every doubt about procedural matters concerning habeas data petitions.

He said he believes the subject has been misinterpreted by some citizens and used for political purposes by the opposition.

The opposition believes a law of implementation alone will not suffice. Roger Caceres (Frenatraca) [National Front of Workers and Peasants] and Lourdes Flores Nano (PPC) [Popular Christian Party] argued the need to eliminate the habeas data right.

The PPC legislators say it is unnecessary because the writ of amparo guarantees the right of rectification.

Henry Pease (MDI) [Democratic Left Movement], however, is not so radical. He proposes derogating just Paragraph 7 of the constitutional article on habeas data which refers to the media organizations.

Torres y Torres Lara conveyed his satisfaction over the outcome of the committee hearing.

## Five Peasants Reportedly Murdered by Soldiers

*PY0205224294 Madrid EFE in Spanish 1606 GMT 2 May 94*

[Text] Lima, 2 May (EFE)—LA REPUBLICA reported today that several Peruvian Army members cut the throats of five people, one of them a 13-year-old girl, in the northern jungle region, according to an accusation made by the wife of one of the victims, who witnessed the murder.

According to the witness, Amalia Tolentino, whose whereabouts are being kept secret, the bodies of five people found near Moyuna are peasants whose throats had been cut by Army soldiers who arrested them on 8 April.

One of the dead is Jesus Vera Virgilio, Tolentino's husband, who was murdered despite having identified himself as an Army informer.

Tolentino said that an Army patrol commanded by a captain murdered the five people after accusing them of being terrorists. She said she was pardoned because she was carrying a baby girl.

The daily reported that she found her husband's body with a slit throat.

This case was reported by Tolentino to the special prosecutor for human rights in Huanuco, capital of Huanuco Department in the northern jungle region, where since 5 April a military antiterrorist operation has been under way in Leoncio Prado Province.

A prosecutor and several doctors examined on 29 April the remains of the five people, of whom only the bones were left.

According to the doctors, the skulls and long bones showed no signs of gunshot wounds, and therefore the cause of death was not established. They added, however, that they were probably killed before 5 April, when the military operations began.

The bodies were buried at the same site, and no autopsy was carried out.

Francisco Diez Canseco, president of the National Peace Council, said that "it is obvious" that "isolated cases" of human right violations were made during the military operation.

Despite this, Diez Canseco believes that accusations by the Human Rights National Coordinating Board of the bombing of civilians and the deaths of dozens of people are exaggerated.

Diez Canseco admitted, however, the case involving two women who said they were raped by soldiers. He said: "The women said they were able to escape, but others were not so lucky and were murdered."

He admitted: "It is a fact that abuses were committed."

The U.S. State Department demanded of the Peruvian Government an investigation into the charges, and the Peruvian Foreign Ministry answered with a harsh communique claiming an "unfriendly" U.S. attitude.

Carlos Blanco, president of the Human Rights Committee in Congress, said he will visit the U.S. Embassy in Lima today to protest the "interference in the country's internal affairs."

## Army Rescues Ashaninka People From Shining Path

*PY0205195694 Madrid EFE in Spanish 2102 GMT 1 May 94*

[Text] Lima, 1 May (EFE)—The local news media today reported that security forces have liberated 1,135 Peruvian Ashaninka people who were being held by the Shining Path [SL] terrorist gang.

The Ashaninkas were freed from several villages on the banks of the Ene River, in Satipo Province, Junin Department, a jungle area in the Peruvian central mountain region.

Journalists state that the captives had been literally enslaved by the maoist gang. They are suffering from malnutrition and many appear to have tuberculosis.

The Ashaninkas were freed by the Army units in the course of recent operations. They together with some who managed to flee from the terrorists are currently receiving medical care and food at regional counter-subversive bases.

The SL has been operating in the jungle area of Junin Department since 1984.

### Pastor Charged With Terrorism, Released

*PY3004001794 Madrid EFE in Spanish 0123 GMT 29 Apr 94*

[Excerpt] Lima, 28 Apr (EFE)—Evangelical pastor Juan Mallea has been released after spending nine months in prison and after it was demonstrated that he is innocent of terrorist charges. He reported today that he was tortured by Peruvian Counterterrorism police who wanted him to plead guilty.

Mallea announced that his attorney-at-law is studying the possibility of filing a claim for damages against the Peruvian police and state for moral and economic damage as a result of the charges that determined his confinement in the Canto Grande prison in Lima.

Mallea asked the government to publicly admit its mistake "because it is for men to admit their mistakes."

Mallea, who was detained on 10 July 1993, held a news conference. He recalled that on 21 July 1993 he was tortured by Counterterrorism Directorate (DINCOTE) agents. [passage omitted]

### Apurimac-Ene Basin Seen as Route for Precursors

*PY2904152194 Lima EXPRESO in Spanish 19 Apr 94 p A2*

[Text] Despite the progress made thus far this year compared to 1993, the amount of precursors confiscated during the first four months of 1994 accounts for only 3.5 percent of the total amount used by drug traffickers to process cocaine paste and cocaine.

Drug enforcement personnel have already confiscated 37,646 kg of chemical precursors from several trafficking organizations in just four months this year. By contrast, Interior Ministry figures show that during 1993, only 74,200 kg of chemicals—including sulphuric acid, acetone, hydrochloric acid, sodium carbonate, potassium permanganate, and ether—were confiscated.

Drug analysts and DEA experts noted that 13 clandestine airfields have been destroyed in the Upper Huallaga region, as well as a 2,000-meter strip in Quempiri (near Satipo) and another near Tarapoto.

They have also destroyed 10 pits and 11 maceration labs that were equipped with microwave ovens and other sophisticated equipment.

Intelligence agents have concluded that the geographical location of the Apurimac-Ene basin is the reason why it has become in recent months the main route for chemicals for the Peruvian-Colombian mafia organization laboratories.

Drug enforcement forces have noted, however, that no major seizures have been made yet owing to the complicity of the local residents and coca growers, who in some cases have been forced by former Shining Path members—who now work for the drug mafia—to remain silent to protect the traffickers.

The analysts believe the traffickers have conscripted residents and peasants in the jungle of Satipo, Oxapampa, Ciudad Constitucion, Puerto Bermudez, Icozaxin, Huanta, La Mar, San Francisco, Palmapampa, Santa Rosa, La Convencion, and Palestina in the illegal drug trade.

A few weeks ago, police confiscated chemical supplies in the townships of San Pedro (Villa Rica-Oxapampa) and Palestina, where a CB-1420 aircraft crashed and its passengers managed to escape with the help of local residents.

The chemicals are also being transported in small boats along the Pichis, Palcazu, Ene, Perene, and Apurimac rivers.

The township of Palmapampa (La Mar-Ayacucho), which is on the Apurimac River, continues to be the transaction center for the "firms," which are guarded by mercenaries armed with modern weapons.

The commander of drug enforcement operations is reinforcing his personnel with specialized personnel in the region, where until recently there were just 12 policemen and a small Air Force base, which tried to detect the small planes used by traffickers.

Some of those "firms" have moved their operations toward the Tambopata basin where, protected by the intricate wilderness, they set up laboratories to produce the drugs that are sent to Brazil.

## Uruguay

### GATT Uruguay Round, Expected Benefits Viewed

*PY0205213994 Montevideo BUSQUEDA in Spanish 21 Apr 94 p 23*

[Text] On 15 April in Marrakech, Morocco, with a rap of his gavel on the lectern, the chairman of the Uruguay Round of the GATT trade talks, Uruguayan Foreign Minister Sergio Abreu, closed the thorny process of

tough negotiations on the new rules for world trade, which had lasted seven years. A transitional stage that is to be concluded on 1 January 1995 with the institutionalization of the World Trade Organization (WTO)—which will replace GATT in the settlement of problems arising from international trade in goods and services—began there, too.

Having signed on this occasion the Final Declaration of the Uruguay Round launched in Punta del Este [Uruguay] in 1986, the representatives from 124 countries burst into applause.

During the transition to the WTO, a Preparatory Committee will once again have to make great conciliatory efforts to harmonize different demands on issues such as labor regulations, regional agreements, relations between trade and monetary policies, immigration, countries' external debts, trade practices, and even the alleviation of poverty.

Several bilateral agreements, which were signed at the very last minute, provided for the mutual granting of compensatory concessions to member countries or groups of member countries.

Abreu said that following lengthy negotiations "there are absolutely no victors nor vanquished." He underscored that countries had made concessions to one another "which obviously vary in importance according to the blocs involved."

**Achievements by Uruguay**

Uruguay—which already has a rather open economy—did not have to make specific bilateral concession to other countries. Nevertheless, the results of the meeting fell far short of the expectations Uruguay and the other Cairns Group (exporters of nonsubsidized agricultural and livestock products) member countries had concerning the opening of international trade and the reduction of subsidies to production.

Notwithstanding this, Uruguay obtained several specific trade benefits, and will be able to take advantage of the gains derived from the greater global opening established by the new regulations. The main achievements for Uruguay are:

Concessions by the United States
—Tops [preceding word in English]: 50 percent tariff reduction.
—Plain weave textiles: 30 percent tariff reduction.
—Garments made of woven fabric: 20 percent tariff reduction
—Knitwear: 10 percent tariff reduction.
—Cheese: 10 percent tariff reduction.
—Beef: An annual quota of 20,000 tonnes; a maximum 10 percent tariff will be levied on beef exports, which will materialize once the country is certified as free of foot-and-mouth disease.
—Corned beef and salted beef: Zero tariff is maintained.
—Dressed meat: Up to 75 percent tariff reduction.

Concessions by the European Union [EU]
—Beef: A 2,000 tonne increase in the Hilton quota assigned to Uruguay, which now totals 6,300 tonnes.
—Mutton: Quota is increased from 5,220 to 5,800 tonnes with zero tariff.
—Dairy products: General increase in quotas and tariff reduction in nearly all products.
—Textiles: Up to 14 percent tariff reduction.

Rice Market
—Uruguay will be able to vie for a share in the 380,000 tonnes that Japan agreed to import as part of a general opening and in the 150,000 tonnes the ROK is going to import. This quota for both countries will be increased to 1.1 million tonnes in six years.

General Benefits

Uruguay's exports will benefit from the global opening of and boost in trade that is expected to take place worldwide in several aspects:
—Tariffs: Tariffs levied by the EU on agricultural and industrial products will go down by 35 percent and 42 percent respectively. Tariffs levied by the United States on agricultural and industrial products will be reduced by 34.2 percent and 37.5 percent respectively. Tariffs levied by Japan on agricultural and industrial products will be cut by 43.5 percent and 77.5 percent respectively.
—Domestic Price Support: A 20 percent progressive reduction in domestic support prices by industrial countries over a period of six years and a 13.3 percent reduction by developing countries.
—Subsidies to Exports: A reduction in budgeted allocations and volumes of 36 percent and 21 percent respectively by industrial countries and 24 percent and 14 percent respectively by developing countries.
—Nontariff barriers: Quotas, statistic or variable rates, etc., will be quantified as tariffs and will be progressively reduced by 36 percent in industrial countries and by 24 percent in developing countries over a period of six years.
—Animal and plant health agreement: Codes to regulate the control of animal and plant health are signed, thus preventing the implementation of discriminatory measures that act as nontariff barriers.
—Consolidated tariff: A maximum level of 35 percent is set.

## National Party Faction Elects Candidate

*PY0205190794 Montevideo EL OBSERVADOR ECONOMICO in Spanish 21 Apr 94 p 6*

[Text] Gonzalo Aguirre, leader of the Victory and Renewal Movement (MRV), has been elected a presidential candidate. The speech announcing his election was followed by shouts of "viva Gonzalo" and the singing of the "Three Trees" march. Aguirre spoke for almost an hour. He placed special emphasis in his Wilsonist roots [late Blanco Party leader Wilson Ferreira Aldunate], expressing support for a liberal economic policy and a future coalition government.

The ceremony to announce his candidacy was held on 16 April and attended by 4,000 people. There were flags, placards, and signs of the List 97.70 headed by former Deputy Carlos Rodriguez—the strongest candidate to be Aguirre's running mate—and List 4 headed by Senator Julio Grenno and his Canelones colleague Bari Gonzalez.

Several telegrams congratulating the candidate arrived during the ceremony. They were sent by Herreraist [Blanco Party faction] candidate Juan Andres Ramirez, Senator Walter Santoro, former Minister Alvaro Ramos, former Senator Enrique Veltran, Maldonado Mayor Domingo Burgueno, and former law school dean Adolfo Gelsi Bidart, among others.

Aguirre said Wilson Ferreira was "the most important national and National Party figure in the past decades." He cited Ferreira several times in his speech when mentioning "decentralization, the main problem the country has to solve." He recalled that "this was the last great job" undertaken by the late National Party leader.

Aguirre said his option is "not a third option or an intermediate one (...). It is not a third option because in electoral times citizens and their votes determine who is first. It is not an intermediate option because it is not located between other party forces. Our option is located in a space determined by our definitions and the personality of our candidates."

Aguirre said that during his campaign "they will not indulge in personal attacks" or the "systematic criticism of other parties' governments, at the national or departmental level."

He said: "No matter who wins, we will help the creation of a coalition government with all our strength. A true coalition supposes a political alliance to exercise government duties based on guidelines agreed upon by coalition members and not unilaterally imposed by the president of the Republic."

The elected candidate said his government will not be "a copy" of the present administration, although he will continue "its work" of "maintaining a healthy economy and fighting inflation and the fiscal deficit" in a "distinct way and with our own style and image," because "for us economic policy must not be dogmatic (...) or constitute an end in itself."

During the speech that was frequently interrupted by applause, Aguirre mentioned the topics that in his opinion will be the main campaign issues: decentralization, education reform, the state's role's definition, social security reform, an analysis of the tax system and its eventual reform, and the creation of new jobs.

Aguirre expressed support for a liberal economic policy. "We will support liberalism, but social liberalism (...) a policy where the state does not suffocate private initiative with regulations, its presence, and state monopolies. A policy where the state does not neglect the basic needs of the people or stop giving priority attention to education, housing, and health."

## Bishops Warn of 'Dangerous Divisions in Leadership'

*PY2904234994 Madrid EFE in Spanish 1653 GMT 29 Apr 94*

[Text] Montevideo, 29 Apr (EFE)—The Uruguayan Episcopal Conference today disseminated a document warning politicians of "dangerous divisions in leadership" and of the difficulties created in taking dynamism away from government work.

The bishops issued a document entitled "Values, Base of Our Development," asking candidates in the 29 November elections to issue "proposals and programs with clarity and sincerity."

According to the bishops, the "positive economic indicators" have not reached the country's poor.

The document was signed by all bishops. It was the result of a compromise between different Church groups in one of the most secular countries in Latin America.

The Church's political weight is quite small in Uruguay, a country with an entrenched liberal tradition.

This situation is made clear by the total lack of weight of a political party with Catholic traditions and the great number of agnostic and lay candidates.

The bishops' declaration does not side with any party or candidate, but warns that "the internal logic of Uruguayan electoral democracy carries an ethical commitment involving all participating groups and individuals to accept and help the candidate gaining the most votes, even after reasonable compromises and agreements are closed, to be able to implement the program chosen by the people."

The bishops pointed out that the electoral year "is an occasion to meditate together about our country and to put the election at the service of common good."

The document asks for "a review of the public education system, to guarantee respect for all family heads," insisting on the need for a pluralistic public school system, a school system that is secular for laymen, Catholic for Catholics, and Jewish for Jewish people.

The document concludes by reiterating "the decisive importance of human life's ethical and spiritual dimension, which is the solid foundation upon which all structures of coexistence are based: family as well as political, juridical, economic, social, labor, and cultural organizations, in all their manifestations."

## Venezuela

### Foreign Minister Discusses General Issues

*PA0205013894 Caracas Venevision Television Network in Spanish 1030 GMT 28 Apr 94*

[Interview with Foreign Minister Miguel Angel Burelli Rivas by Carlos Fernandez, host of the "24 Hours" program, in the television network's studio in Caracas—live]

[Text] [Fernandez] We are going to be talking with Foreign Minister Miguel Angel Burelli Rivas. We will also talk later with Pedro Paris Montesinos, Democratic Action president, and Aldemaro Romero. Let's begin with Foreign Minister Miguel Angel Burelli Rivas.

There are several topics of current international interest, which, of course, have repercussions in our country. I would like to talk first about an important meeting scheduled for 6 May. President Rafael Caldera will be meeting with Colombian President Cesar Gaviria, who will be the next OAS secretary general, during that meeting. We do not know if there is a previously established agenda or if they are going to be talking about general topics. I believe that due to the close relations between Colombia and Venezuela, a contact between two presidents is always important. Welcome, Foreign Minister Miguel Angel Burelli Rivas. Let's talk about those details.

[Burelli] We invited President Cesar Gaviria to a 6 May meeting with our president in Caracas. It will be a working meeting exclusively. It will only take place on 6 May. President Gaviria will be coming with his entire cabinet.

[Fernandez] That is very good.

[Burelli] Fourteen ministers will be coming; their 14 Venezuelan counterparts will also be present.

[Fernandez] Have there been recent previous meetings between Colombia and Venezuela in which such a large delegation participated?

[Burelli] Not of this size. The first experience with these types of meetings was when I was ambassador to Colombia with President-elect Carlos Lleras and Venezuelan President Raul Leoni. I brought President-elect Lleras over with some of the individuals that were to become his ministers. We held a very important and pleasant meeting with them at La Casona [presidential residence], but we have never held such a massive meeting before.

[Fernandez] This type of meeting is important, because, as we all know, the problems between Colombia and Venezuela are not strictly diplomatic in nature. These problems are not limited only to the discussions of the delimitation of maritime areas. It is a succession of problems and difficulties that both countries must face.

[Burelli] That is true. We are going to hold bilateral and multilateral talks. We are going to talk about all divine and human topics, you may say. I want to speak quite frankly. The topic of vehicle theft, for example, is apparently a commonplace one; the problem of delimitation is a prominent one. Both are the alpha and the omega of a long list of well-known topics. What we need to do is put the topics in order. Both foreign ministers, both defense ministers, and both ministers in charge of border affairs will meet in San Cristobal on 29 April to talk about the agenda both presidents will discuss.

[Fernandez] What fundamental aspects could result from a meeting of this type when Gaviria's government is about to turn over power?

[Burelli] The same results that could be achieved with a new Colombian Government. Colombia has a coherent and continuous international policy.

[Fernandez] That has not been our case.

[Burelli] Our international policy is starting to be coherent and continuous. I would say Venezuela's international policy is not the best, but it has not been the worst either. We have lost the things we have lost due to Venezuelan policy.

[Fernandez] If we look at the past, we realize many of the things we have lost have been our responsibility.

[Burelli] True.

[Fernandez] What fundamental aspects do you think will be discussed in this open dialogue between Presidents Rafael Caldera and Cesar Gaviria and the members of both cabinets?

[Burelli] I would say the fundamental topics are: the delimitation of river basins. It is something that is extremely important for us, because, as you know, Venezuela is a country of river mouths. Venezuela's river sources are located in Colombia. The source of the Orinoco River is in Colombia.

[Fernandez] That is so important that many analysts of the bilateral situation between Colombia and Venezuela are saying today the delimitation of maritime areas is less important than the delimitation of river basins.

[Burelli] Correct. That is many people's opinion. The main river of Maracaibo Lake is the Catatumbo River, the source of which is in Colombia. You can see the seriousness and importance of this topic. We must also talk about the integration that is taking place between the two countries, integration which is not the greatest but is certainly the most intense from Alaska to Patagonia.

Shortly, we are going to be trading products worth an estimated 2 billion [currency unspecified]. It has allowed Venezuelan and Colombian industries to successfully market their products to other countries. Colombia is a country that has a very important industrial base. It has

the most important thing—an infinite number of mini-industries or family industries. That constitutes a country's actual wealth. We have to follow that model with our handicrafts industry and with family-type industry in the production of goods that can be exported, something Venezuela has already been doing for the past few years. That will give us a true wealth.

[Fernandez] Now that you are broaching the economic topic, a month and a half ago spokesmen of various Colombian industries, banks, and small- and medium-size industries talked about trade relations between our two countries. They have many fears, and Colombian newspapers, EL TIEMPO, EL ESPECTADOR, and others, have great doubts and questions about our country's economic future. They, of course, link it to the trade relations that exist between our two nations.

[Burelli] Some journalists are very pessimistic about what is going to happen here. I have already met with some Colombian journalists who want to see a catastrophe in relations with Venezuela. It does not happen only with the Colombians. There is a succession of international spokesmen who are betting something terrible will happen here; that will not occur. Venezuela is in no worse shape than any other country of the world. In this marvelous, gigantic world of disorder in which we live Venezuela is not the worst of all countries. Look at Europe, Asia, and Africa, and you will find huge dramas.

[Fernandez] That should not be a consolation for us.

[Burelli] It should not be a consolation, but it should serve as an example. In other countries with less self-criticism than we have here, they are rebuilding their countries. It is each country's obligation to put its pieces back together after the collapse of the political empires dispersed them.

[Fernandez] Could these fears mentioned in the Colombian media, which pick up statements by business association and private sector spokesmen, be discussed in one way or the other within this open agenda for the 6 May meeting?

[Burelli] Spokesmen from all sectors will be coming here. We are going to invite all sectors of Venezuela to meet them, even though many of them already know each other. The relationship between Colombia and Venzuela is impressive. It is like a discovery. Venezuelans suddenly found out that Colombia is a very important country with which to do business and that they have to refine their capabilities of negotiation, because Colombians already have that capability. Colombians have discovered this is a country that has a great capability for consumption, where many of its products can be sold. If we, as a government, would like to interrupt this integration, we could not do it. Our integration has reached a desirable point. It has reached the private individual; it has reached a point where governments and politicians are practically no longer needed.

[Fernandez] Concerning those pessimists who insist on disrupting the possibility of an expansion of trade relations between the two countries, could they be successful?

[Burelli] Absolutely not. This trade relationship is no longer in the hands of any comptroller. Bankers, industrialists, businessmen, and technological experts are the ones who are dealing among themselves. When integration began the enemies of the politicians, the businessmen, thought we the politicians would ruin their domestic market. The businessmen are now doing all the work and have forgotten about the politicians; that is important for integration.

[Fernandez] That is a positive angle despite the ups and downs; there are conflictive situations, however. We have already talked about the river basins. On various occasions the Venezuelan Government and the Foreign Ministry have set clear guidelines on certain things. We do not know if Colombia has been reciprocal regarding these things. If we look at the other border problems we are going to find topics that I imagine will be discussed in depth.

[Burelli] Any problem between neighbors are the problems of two neighbors. I used to say we do not have any problem with Finland. As relations with Colombia intensify, our problems will intensify, but that is why the governments and the foreign ministries are there, to solve these kinds of problems. All ties, all associations, and all communities produce problems of friction and misunderstanding.

The Andean Integration Court will soon begin operations; it will settle cases. Businessmen need a court to which to go when there is a disagreement between them. The European Court, for example, has an impressive amount of work, because every time a businessman or an industrialist fails to honor a contract they resort to this court. We have the Andean Court in Quito, but it does little work, because we do not have the culture to resort to this court. The integration that we see as impressive with Colombia is beginning to occur between Colombia and Ecuador. The volume of trade will go from 300 million to 800 million [currency unspecified] between Colombia, which has 32 million people, and Ecuador, a much smaller country. Tomorrow it will be between Ecuador and Peru and then between Peru and Colombia. Little by little these things will be achieved. As integration intensifies there will be more cases to settle at the Andean Court.

[Fernandez] That is very important. Now, by contrast, those pessimistic voices, those that are maintaining extreme and radical positions in Colombia as well as those here in Venezuela are always trying to create differences between both countries. An example of this is a recent article by former Colombian Foreign Minister Carlos Lemos Simmonds who cited a report by an EL TIEMPO correspondent here who had interviewed you,

[Environment and Natural Renewable Resources] Minister Perez Lecuna, and [Special] Minister Pompeyo Marquez. Lemos Simmonds maintains radical and extreme positions toward Venezuela, and in the end he recommended what he seems to like: war, the possibility of a confrontation.

How does the Venezuelan Foreign Ministry view this kind of position, because Mr. Lemos Simmonds bears some weight in Colombia?

[Burelli] He served as foreign minister.

[Fernandez] Correct.

[Burelli] He is a good writer, but we view his statements naturally. These are the characteristics and freedoms of democracy. We view these things....

[Fernandez, interrupting] Such statements are perhaps responsible for instigating Colombian military officers, much the same way some extremists brew ideas among Venezuelan officers.

[Burelli] We have had many Lemos Simmondses here, and we believe this is normal. We consider this kind of attitude an encouragement to our activity. They are not the ones, though, who impose their views. These gentlemen, given they no longer go to war, are calling for war. It is very easy to call for war when one does not have to go to war.

[Fernandez] Another important detail of these articles is the fact the nomination for OAS secretary general is addressed again. They suggest Venezuela will now assume a radical position or attitude, and President Caldera's government maintains a different position and it will be more belligerent; in sum, the trumpets of disaster are sounding once more.

[Burelli] You have seen our reaction. I will meet tomorrow with the Colombian foreign minister, with whom I traveled for six hours to Sao Paulo recently. About 12 generals of Colombia's general staff are coming to meet with an equal number of Venezuelan officers, including the defense minister, to define the agenda tomorrow. You have seen the preparations for the reception we will give President Gaviria here and how we have launched an offensive of friendship. This is what corresponds to countries with so many and important common interests.

[Fernandez] That is very important. A short while ago you said there were certain foreign interests abroad trying to sell a more complex and difficult image than the one we actually have. There was, at some point, talk of international campaigns against our country. I would like to hear your comments on this important topic, an ever present one, because comments and observations continue among Venezuelan public opinion. This has had some repercussions and has caused a reaction among people's opinion. What does the Foreign Ministry make of all these campaigns? Who is behind the campaigns?

[Burelli] Basically, there are economic interests behind these campaigns. Competition among certain Venezuelan products that are entering the markets of industrialized nations has generated a marked reaction from environmental agencies, violated human rights, when it is simply a matter of commercial competition.

In the United States, for instance, Citgo gas stations, many in number, have prompted the opposing reaction of others. They have claimed our gasoline needs to be reformulated, because it causes pollution, but it is not inferior to U.S. gasoline. This scheme is invented. Industrialized countries are trying to replace former protectionism, which must come down as a result of the universal implementation of GATT. They are simply inventing something new to close the doors on importation of other products.

[Fernandez] By the way, did Venezuela withdraw its suit before GATT on the gasoline issue?

[Burelli] It is still pending a resolution. [Words indistinct] do not think it will be necessary, because the United States has maintained an attitude of understanding in the last few days, but we could use this right. There are a series of arguments, such as the case of tuna and the case of Orimulsion [boiler fuel made from heavy oil] which caused [words indistinct] in Europe, where we finally made it. Our products had been denied access to the European Union, because we were not a drug-producing country and because we had a high per capita income.

In the Sao Paulo meeting last week, I had the pleasure of receiving from the EU the promise Venezuela will be included in the Andean tariff preference. This will open the European market for us. Indeed, we also obtained a 2-percent share of the EU's banana market. We are not yet a banana-producing country, and the collapse of Banco Latino had a negative impact on big banana crops in the southern Lake Maracaibo area with which we hoped to meet our quota, but we must now work to correct the situation. This will allow us to begin exporting and to take advantage of our market share, which we could lose if we fail to meet it.

[Fernandez] Now Dr. Burelli, some say there are Venezuelans abroad who have become spokespersons for these international campaigns. Some letters written by former ministers in the Carlos Andres Perez administration were published this weekend denying that possibility. Based on what the Venezuelan Foreign Ministry knows, is that assertion true?

[Burelli] Not really. There is the idea that some..... [pauses] I think they are as patriotic as you and I.

[Fernandez] But we hear everyday—perhaps you hear it more than I do—that many Venezuelans abroad like to speak ill of their country. That is very disappointing. In the specific cases of people who have held important positions, the Foreign Ministry is obligated to investigate this situation, but so far nothing has been done.

[Burelli] No, we know what is being said abroad about Venezuela. We receive reports from all our missions, and we have not heard of any former ministers speaking ill of our country. That is mere speculation. We don't think it is significant if a Venezuelan residing abroad, a Venezuelan without access to organizations or media sources, criticizes the country.

We have a bad image abroad largely because of what we project from here, from what is seen from here.

I have seen live Venezuelan television newscasts abroad in which 17 out of 17 news stories broadcast portrayed a bad image of Venezuela. These reports were on local issues that are of no interest abroad. Those who prepare the newscasts aired abroad must keep in mind that their audiences are not living in Caracas slums or in the countryside but in the world, where we are sending a discouraging message.

What good does it do for the Foreign Ministry and the Venezuelan Government to try to improve Venezuela's image abroad to bring investors by saying that this country now has legal security with clear rules if the television stations, with larger audiences....

[Fernandez, interrupting] The image of a corrupt country is projected abroad. Indeed, there are reasons to sell the idea that this country has had corrupt governments in the past.

[Burelli] Well, that is something different. The daily insecurity is what is projected abroad. It is overstated as if there was nothing good in the country, and there are many positive things in the country.

[Fernandez] Certainly. Many television reporters only send the worst news abroad and convey the idea that we are crumbling.

[Burelli] Let's be frank. Our own television stations do not emphasize the message of our country's positive, noble aspects.

[Fernandez] Well, we cannot deny the truth.

[Burelli] But this kind of news reporting cannot continue indefinitely.

[Fernandez] Of course. We now have some viewer questions for Dr. Miguel Angel Burelli Rivas. One viewer from Los Naranjos asks: What is your opinion—this is another matter, but it is important to address anyway—of the personnel working at the Foreign Ministry, who, according to your statements to the media, seem to be underqualified?

[Burelli] The problem is that there are too many employees, among whom there are some good employees. I am trying to identify those who are inefficient so I can get rid of them.

[Fernandez] We have another call. Our numbers are 793-1845 and 793-1634. When will the Foreign Ministry help raise the self-esteem of Venezuelans?

[Burelli] The Foreign Ministry is working to raise the self-esteem of Venezuelans, not just now but always. Our diplomats have done their share in an unassuming way, and their task has been made more complex by the preconceived notion that the Foreign Ministry is useless. I have said before that the important causes Venezuela has lost were not lost because of the Foreign Ministry.

[Fernandez] From Valle Abajo—this is a question that would have to be answered by other authorities, not the Foreign Ministry—a viewer asks: The Peruvian Consulate has not delivered passports for the last four months. Could you take some action? Can you speak to the Peruvian consul in this country?

[Burelli] That is not my responsibility.

[Fernandez] From Valencia, a viewer asks: When will a selective policy of immigration be implemented in Venezuela?

[Burelli] It is currently under way. Commissioner (Jans Norman) is in Asia right now setting quotas for the number of emigrants we can receive. He is working so all state governors can offer facilities to install selected groups of emigrants and their families in the interior.

[Fernandez] [Words indistinct] what we Venezuelans need are foreign ministers who do not allow the constant theft of our land.

[Burelli] No foreign minister allows it; no Foreign Ministry has allowed it. The Foreign Ministry won the Orinoco River for Venezuela in 1833 with 300,000 km east, or rather west of the Orinoco River with half of Guajira. Congress refused to ratify the treaty just to prevent Santos Michelena, who was the noble negotiator, from becoming president based that success. That was when we first began to lose Venezuelan territory. We have to know history.

[Fernandez] The political ineptness of the last century is responsible for the controversy in which we are immersed with Colombia. The last question has to do with the Curacao Branch of Banco Latino. Legislators Walter Marquez and William Davila Barrios were here yesterday and urged the Foreign Ministry to intervene because this is a state to state problem.

[Burelli] I am very fond of Walter Marquez, and his actions have our full support. He knows it. His is a very noble, selfless task with a great spirit. We must look at the matter, however, with a cooler head. We have followed all the steps. The Netherlands has its laws; banks are autonomous in Curacao. We must always keep in mind that the Netherlands is the second largest investor in Venezuela after the United States. It is the only country that never lost faith in our capabilities. We are following the procedures as they should be followed. We told the Curacao Central Bank president that he can

hold a news conference at Foreign Ministry to explain how Banco Latino works in Curacao, the operations it has conducted, and the measures to be taken.

[Fernandez] Tomorrow's guest on this program will be the president of the Central Bank of the Netherlands Antilles.

[Burelli] That is great. I think that is great.

[Fernandez] He is coming from Curacao. Depositors have complained of the humiliation they suffered in Curacao. Lawmakers said they were not treated well. We will discuss all those things. At some point there was mistrust, or some said there was an armed operation around the assembly.

[Burelli] I watched that program yesterday morning, and I asked the consul in Curacao to file a report. As a matter of fact, I found this to be rather odd and worrisome.

[Fernandez] Will the Venezuelan Foreign Ministry intervene in this case?

[Burelli] It will intervene by asking our authorities to inform us of all the investigations that legislators like Marquez and Davila Barrios are conducting. From a legal standpoint, the Venezuelan Foreign Ministry intervenes when a body, a court, or the entity with jurisdiction officially asks us to act. We cannot step in except for providing logistical support or the assistance of our consul and ambassador to conduct an investigation and expedite all the necessary proceedings. Legally, we cannot act and order an extradition or file a request before a foreign court unless we are asked to do so by the Venezuelan legal system.

[Fernandez] We thank Foreign Minister Miguel Angel Burelli Rivas for being with us on "24 Hours" and you for your telephone calls.

## Arias Comments on Radical Cause, Chavez

*94P2O7OOA Caracas EL NACIONAL in Spanish 8 Apr 94 p D2*

[Article by Armando Gruber]

[Text] San Felix—Retired Lieutenant Colonel Francisco Arias Cardenas said here during a visit to the Caroni Municipality mayor's office that the struggles or differences between Radical Cause [CR] and Hugo Chavez and the MBR-200 [Bolivarian Revolutionary Movement-200] only benefit directly the traditional parties like AD [Democratic Action] and COPEI [Social Christian Party].

Arias Cardenas does not see why these two political currents have to oppose each other and fears that there could be persons interested in creating frictions involved.

Flanked by CR Senator Lucas Matheus, Mayor Clemente Scotto, and city councillors Simon Yegres (CR) and Davis Odreman (AD), Arias Cardenas added: "There are individuals disguised as revolutionaries who are promoting these confrontations, and I see that they are very interested in creating conflicts."

"There should be respect, and agreement is vital. We should remember the sixties and the fratricidal struggles within the left in this country."

Arias Cardenas insisted on the need for President Rafael Caldera to continue to take rapid action to complete the process of freeing many of the officers who rebelled on 27 November [1992] and some of those from 4 February [1992] who may still be under arrest, and also the need to seek the reintegration of many young officers into the ranks of the FAN [National Armed Forces].

"Many of those who participated in those movements on 4 February and 27 November—such as Admiral Cabrera, General Visconti, and Colonels Dominguez and Garrido—did so with the firm desire to rebel against a corrupt government that had no legitimacy. There are a large number of higher-ranking junior officers, and it is vital to listen to and hear them."

[Gruber] What do you think is hindering the process?

"Good will, which is extremely important. I do not know the details of what may be happening, so I found it necessary to postpone until next week my meeting with Andres Caldera, the minister secretary of the presidency. There are situations such as, for example, officers who were discharged with questionable procedures, from a legal point of view. This must be taken into account."

On the possibility of being appointed director of PAMI [Mother-Child Food Program] by the government of President Rafael Caldera, Arias Cardenas said: "The fundamental basis for accepting jobs or working is to feel fulfilled by what one is doing. This government is not the same as or like the previous one, nor is it an AD government."

"I would have to evaluate it very carefully in view of the opportunities for contributing, for serving, and being useful to the community. In addition, I have a responsibility toward those officers who went along with me in rebelling, believing in my military leadership, and now are unemployed."

"This government is different from the previous ones, and will have its critics, its problems. I would have to evaluate it [the appointment] also with the possibility that I would be forbidden to speak with the freedom with which I am speaking now."

## New President of Banco Central Takes Office

*PA0205195194 Madrid EFE in Spanish 1706 GMT 1 May 94*

[Text] Caracas, 1 May (EFE)—Antonio Casas Gonzalez, who was appointed new president of Banco Central of

Venezuela (BCV), took office today, Sunday, and called an urgent meeting of the bank's board of directors.

Casas Gonzalez was appointed BCV president after the unexpected 26 April resignation of Ruth de Krivoy, who held that post for the past two years.

Krivoy resigned alleging deep differences with the way the government had handled the delicate financial crisis in mid-January when Banco Latino, the country's second most important one at the time, was intervened.

After the Latino Bank crisis, an additional eight banks had to receive assistance of the state, which diverted almost 5 billion [currency unspecified] in financial aid to prevent a massive bankruptcy of banks.

During the past weeks President Rafael Caldera assigned Gustavo Roosen, intervener of Banco Latino, to design a plan that will restore confidence in the financial system and lower the ceiling on interest rates, which is over 60 percent.

This decision by Caldera and other decisions by Roosen to carry out the assigned task were viewed by Krivoy as state interference in monetary policy affairs, which Venezuelan laws reserve for the BCV and, therefore, shows a lack of respect for the bank's autonomy.

After learning of Krivoy's resignation, the government and Senate agreed to appoint Casas Gonzalez, who up until that time had represented the state-owned Venezuelan Petroleum before the British Government and other European countries.

Following Krivoy's resignation, the local stock market got out of control "completely, and the Venezuelan bolivar suffered" a heavy devaluation compared to the U.S. dollar. This will be the first problem the new BCV authorities will resolve.

Economists Domingo Maza Zavala and Miguel Ignacio Purroy and Casas Gonzalez were sworn in as new BCV directors.

Casas Gonzalez, an economist, was deputy minister of development between 1969 and 1972 and planning minister between 1972 and 1974, both times under the Caldera administration. The Senate unanimously supported his appointment as BCV president.

## Homemade Bomb Explodes on Board Caracas Train

*PA0205132594 Paris AFP in Spanish 1244 GMT 2 May 94*

[Text] Caracas, 2 May (AFP)—Police sources have confirmed to AFP a homemade bomb exploded Monday morning on board a Caracas metro train and injured five people.

The bomb exploded when the train, packed with commuters going to work, stopped at the Eastern Park Station, in the exclusive area of Los Palos Grandes. The condition of the injured is unknown at this time.

## Explosion Blamed on Students

*PA0305004294 Caracas Radio Nacional de Venezuela Canal Clasico Network in Spanish 2200 GMT 2 May 94*

[Report by Luisa Amelia Rodriguez from the "National Newscast"]

[Text] The Technical Judicial Police [PTJ] have ruled out terrorism in this morning's bomb blast, which occurred at 0642 on the No. 1207 Caracas subway train. At the time of the blast, the subway train was moving westward and headed toward the Parque del Este station. Five people were injured in the explosion.

As we announced during our noon newscast, PTJ investigations are currently centered on a group of youngsters believed to be students at the Don Bosco Industrial Vocational School. Witnesses reported that they had seen the students behaving oddly in the subway car in which the explosion took place. The students left the subway train at the Los Cortijos station just a few minutes before the pipe bomb exploded.

PTJ Chief of Homicide Leonardo Pia Baruta has the following explanation:

[Begin recording] [Baruta] At this time, the Homicide Division is continuing its investigation into the explosive device [words indistinct] in which four [as heard] people were slightly injured. We have collected some evidence, such as leaflets that had been scattered throughout the subway car. We also collected some of the residue of the chemicals used in the bomb.

[Unidentified reporter] Could this incident be interpreted as a reactivation of terrorist activities in our country?

[Baruta] In no way whatsoever. We cannot speak about terrorism or anything of the sort. I would prefer to associate it with a student protest. It was probably caused by some youngsters who, as a result of their immaturity and youth, detonated this pipe bomb. [end recording]

In this way, the PTJ has ruled out the hypothesis that terrorism was behind the Caracas subway explosion.